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ABSTRACT

GRADES OR AGES: Grade 12. SUBJECT MATTER: Modern problems, economic units. ORGANIZATION AND PHYSICAL APPEARANCE: The introductory material includes an outline of the Bloomington school philosophy, identification of main areas of modern economics, basic objectives, and techniques for evaluating objectives. The guide covers six units: a) importance and nature of economics, b) the common problem and the need for an economic system, c) modified market economy of the United States, d) economic growth and stability, e) distribution of income, and f) consumer economics. The material for each unit is set out in three columns--concepts, activities, and instructional resources. The guide is lithographed and spiral bound with a soft cover. OBJECTIVES AND ACTIVITIES: General objectives are included in the introductory material. Detailed objectives and activities are listed for each unit. INSTRUCTIONAL MATERIALS: Details of texts, paperbacks, films, and filmstrips are listed for each unit. The guide also contains duplicated resources for the consumer economics unit, including a sample mortgage, an article on auto dealers, a family budget worksheet, a family finance glossary, and transparency masters. There is also an extensive bibliography. STUDENT ASSESSMENT: Techniques for evaluation are outlined in the introductory material. (MBM)

ED 064260

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•A program for grade twelve•

MODERN PROBLEMS ECONOMIC UNITS

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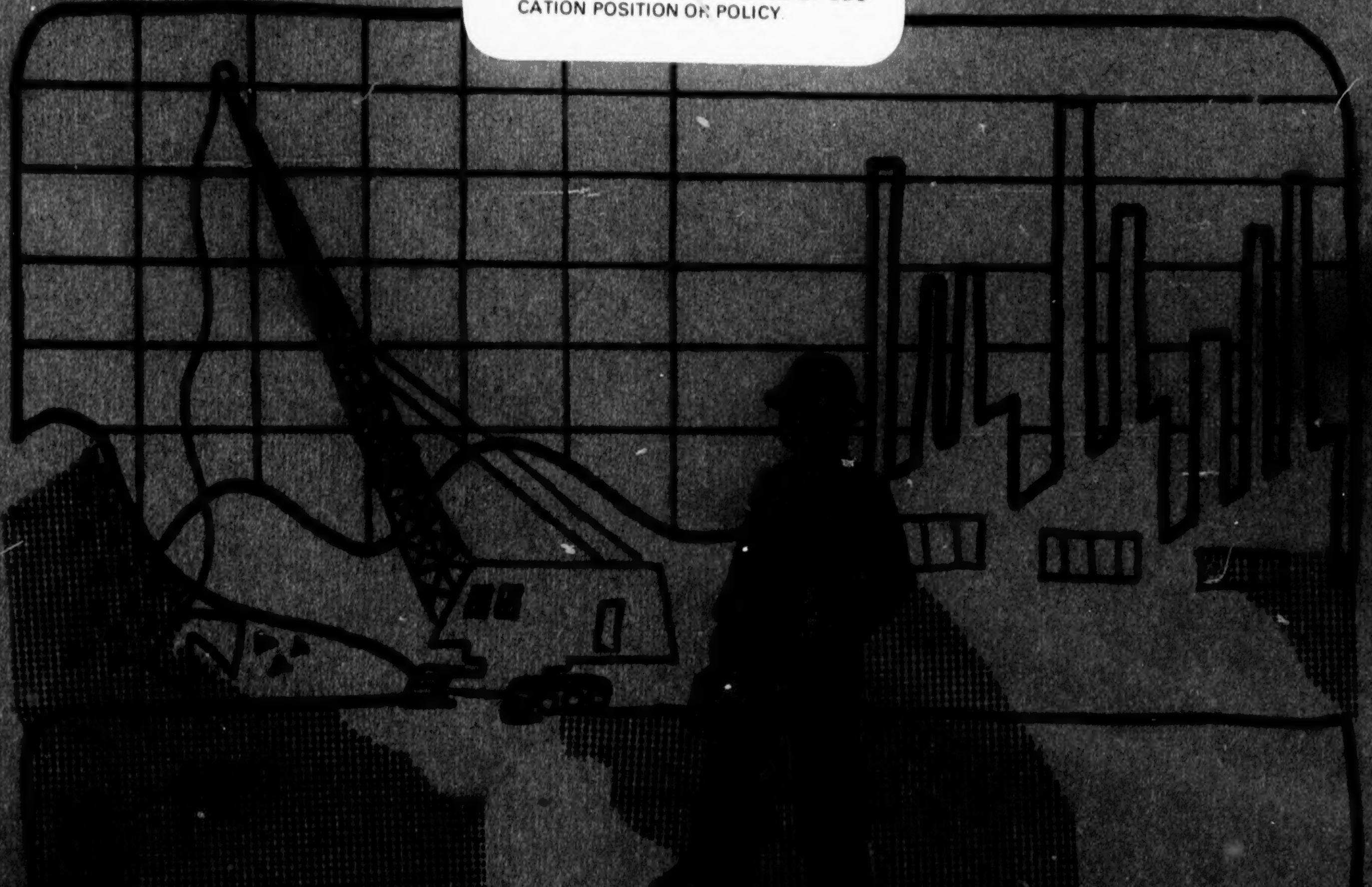

BLOOMINGTON PUBLIC SCHOOLS
PRELIMINARY EDITION 9-69

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BLOOMINGTON PUBLIC SCHOOLS
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BLOOMINGTON, MINNESOTA

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FOREWORD

These units for the twelfth grade modern problems course were written during the summer of 1969 by Mr. Marshall Carlson and Mr. Joseph Hutton, members of the faculty of Lincoln High School in Bloomington, Minnesota.

The guide identifies objectives, suggests activities and lists resources. The objectives as stated in the guide concern the development of sound generalizations, social studies skills and healthy social attitudes. Problems are formulated within a conceptual framework to stimulate maximum student reaction and involvement in the issues. Suggested activities have been identified after research into the methods of the "New Social Studies," especially inductive "discovery" approaches. Various national projects have provided ideas for activities and it is hoped that even greater reliance upon these projects will be possible as their materials are published. Many resources have been identified and include multi-text and multi-media materials to be found within the two senior high school buildings and the Instructional Materials Center. Bibliographies of materials available in the two high school libraries have been compiled.

The writers of this quide wish to express their thanks to the other teachers who have made their ideas available and especially to the ideas inherent in two national projects, the Developmental Economic Education Program of the Joint Council on Economic Education and Minnesota's Project Social Studies.

In planning a new economics program for the twelfth grade, the basic resource has been two pamphlets published by the Joint Council on Economic Education:

> Teacher's Guide to Developmental Economic Education Program, Part I - Economic Ideas and Concepts
>
> Teacher's Guide to Developmental Economic Education Program, Part II - Suggestions for Grade Placement and Development of Economic Ideas and Concepts

These two pamphlets set forth the goals for an ideal economics program as identified in the original Task Force Report sponsored by the Joint Council on Economic Education. The Developmental Economic Education Program is often referred to as D.E.E.P.

Another resource which should be most valuable in planning is:

> Economics and its Significance by Richard S. Martin and Reuben G. Miller - Charles E. Merrill Social Science Seminar Series.

The Statement which follows is taken from DEEP and identifies the main areas of concern for economic education. Each area has been included in this guide. A brief unit on consumer education is identified though this is not the focus for emphasis and the DEEP concepts should be given priority for development.

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BLOOMINGTON SCHOOL PHILOSOPHY

The philosophy of education of the Bloomington Schools professes the belief that each child should develop his potential to the fullest, and to meet his intellectual, moral, spiritual, aesthetic, vocational, physical, and social needs as an individual, an American citizen, and a member of the world community.

It believes the following basic principles.

We believe in:

The value of the individual personality

The worth of the individual

The individual's potentialities

The individual patterns of human growth

The individuality of learning

The value of good mental and physical health of the individual

The importance of the moral and spiritual values of the individual

The individuals who need to identify with groups

The value of creative instruction

Continuous educational research and utilization of its findings

The value of excellence in all instruction.

IDENTIFICATION OF THE MAIN AREAS OF MODERN ECONOMICS OR THE ECONOMIC IDEAS EVERY HIGH SCHOOL GRADUATE SHOULD KNOW SOMETHING ABOUT

The National Task Force identified seven major areas of modern economics of which it hoped every high school graduate would have some understanding. These seven areas are, with a few modifications, listed below in the order in which they appear in the Report of the National Task Force.

1. What economics is all about, why it is important, and how one thinks about economic problems.
2. The nature of the persistent economic problem faced by all societies: wants, scarce resources, the need for decision-making, and the need for an economic system of some kind.
3. The market economy of the United States: how it is decided in the U.S. today (a) what goods and services will be produced, (b) how they will be produced, (c) what total level of Production will be maintained, and (d) how what is produced will be shared among the American people.
4. Economic growth and stability: the long- and short-run performance of the American economy. (a) Economic growth - the long-run problems associated with increasing the total production of goods and services faster than the rate of population growth so that living standards can rise, and (b) Economic stability - the determinants of the level of income and employment in the short-run or how to manage our economy so that we can have full employment without inflation.
5. The distribution of income: the factors determining the distribution of income among individuals and groups in the U.S. and thus determining who will get the goods and services produced.
6. The U.S. in the world economy: the importance of world trade and finance to the U.S. and the ways in which the achievement of our economic goals is related to world economic developments.
7. Other economic systems: how other societies organize economic life to achieve their economic goals - not only the communist countries but also the democratic societies of the West and the developing nations of Asia, Africa, and Latin America.

From: Teacher's Guide to Developmental Economic Education Program, Part I - Economic Ideas and Concepts.

BASIC OBJECTIVES

CONCEPTS BASED UPON GENERALIZATIONS

Concepts: (From DEEP)

- Related to importance of economics
  - Economic problems
  - Economic decision-making
  - Economic analysis
- Related to the definition of economics
  - Economic vs. personal finance
  - Economics and groups
  - Economics and society as a whole
  - Economics as a social science
  - Micro-economics
  - Macro-economics
  - Economic reasoning
  - Economic goals
  - Economic theory
  - Dynamics of change
  - Adjustment to change
  - Economic skills
- Wants
  - Commodities
  - Services
- Scarce Resources
- Decision Making
- Need for an economic system
- Private enterprise economy
  - Modified private enterprise economy
  - Mixed economy
  - Free enterprise economy
- Profit
  - Profit motive
  - Consumer decision making
- Circular flow of income

ABILITIES AND SKILLS

- Attacks problems in a rational manner
- Locates information efficiently
- Gathers information effectively
- Evaluates information and sources
- Organizes and analyzes information
- Draws conclusions
- Works well with others

AFFECTIVE ATTITUDES

- Values the scientific method
- Values rational thought
- Is committed to free examination
- Respects evidence
- Is skeptical of the finality of knowledge
- Demands empirical verification
- Believes in the values of the social sciences
- Is skeptical of theories of single causation
- Is skeptical of panaceas
- Feels responsibility to keep informed
- Believes that social improvement is possible
- Feels responsibility to take informed action
- Values human dignity
- Evaluates in terms of effects

CONCEPTS BASED UPON GENERALIZATIONS	ABILITIES AND SKILLS	AFFECTIVE ATTITUDES
Markets Decentralization		
Supply and demand		
Prices		
Competition		
Monopoly Anti-trust laws Regulation		
Economic role of Government		
Comparative studies The spectrum of systems Changing systems		
Economic growth Per capita output Rapidity of growth Productive capacity		
Economic stability Inflation Deflation		
Measurement Budgeting Accounting Social National income Personal income Gross National Product		
Determinants of National Production and Income		
Economic Stability Fiscal policy Monetary policy		
Distribution of Income Market determination Economic justice Redistribution Role of profits Personal distribution Labor, wages, and unions Farm income Economic security		

CONCEPTS BASED UPON GENERALIZATIONS	ABILITIES AND SKILLS	AFFECTIVE ATTITUDES
Exports		
Imports		
International investment		
Basis of world trade		
Problems in world trade Foreign exchange rates Foreign exchange market Balance of payments Tariffs		

TECHNIQUES FOR EVALUATING OBJECTIVES

Evaluation of the objectives of these units is a valuable and essential part of the learning process. It provides the open-endedness to learning which is so essential. By using evaluation the teacher helps the individual and the group assess their acquired skills and learnings but immediately applies this assessment to new and more complex learnings.

The scope of evaluation is wide and may be applied to the individual, the group, the process, or the total program. Because it is difficult to isolate any of these, it would seem that the evaluation should be concerned with all of the involved inter-relationships.

Techniques that we will use to measure the assimilation of skills and abilities and affective objectives by the students will be the following:

A. STUDENT SELF-EVALUATION

Students will be constantly evaluating and re-evaluating the validity of their conclusions through research and discussion.

Periodically the group should be given the opportunity to discuss the manner in which they handle discussion of a problem. The central topic should be "how can we improve our discussion techniques individually and as a group?"

B. TEACHER-STUDENT CONFERENCE

During the conference the teacher would use this opportunity to give personal attention to the student and his progress.

This time could also be used for a short discussion of his participation in the program.

The conference also presents an opportunity for the teacher to assess attitudes and changing attitudes from the conversation of the student. This conference presents an opportunity to assess the effect of the stated objectives of the units on the student.

C. TEACHER OBSERVATION AND EVALUATION

The alert teacher will seize the opportunity to observe and evaluate the continual growth of the student and the group toward mastery of the objectives of the course. Any information about individuals within the group that the teacher gains in this manner can be discussed with the student at an opportune moment or at the time of the student-teacher conference.

Through observation, evaluation will focus upon subjective factors inherent in the program.

D. TEACHER-MADE TESTS

Tests used within this course of study will be varied in character. The tests will be designed to cause the student to recall general principles and concepts rather than isolated, seemingly non-related facts.

Tests will evaluate skills, attitudes and knowledge.

E. STANDARDIZED TESTS

The standardized tests given during the senior high school years should be relied upon as important instruments in evaluating the social studies program.

An area of concern should be the use of attitudinal tests and attempts will be made to identify and administer these.

UNIT I - IMPORTANCE AND NATURE OF ECONOMICS

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
A. Economics is important in helping individuals deal with personal economic problems, make decisions as democratic citizens, and develop the capacity to think critically.	Locate and interpret sections and feature writers in newspapers.	Student Materials Texts Goodman and Harris , Economics, 1963, Chapter 1. Lindholm and Driscoll, Our American Economy, 1964, pp 1-10. Paperbacks Heilbroner, Worldly Philosophers, 1961, Chapters 1 and 2. Economic Report of the President with Annual Report of Council of Economic Advisers, latest edition. Senior Scholastic January 31, 1961. Articles "What Economics is About" "Five Economic Goals for Americans" Filmstrip "Basic Economic Concepts" B 266 Teacher Resources (Basic 12* *Mortenson, Krider, Sampson, Understanding Our Economy, 1969. *Calderwood and Fersh, Economics in Action, 1968. *Robinson, Morton, Calderwood, An Introduction to Economic Reasoning, 1959.
B. Economics: stresses understanding of whole society rather than personal finance; is a social science which uses the scientific method to enable one to make rational choices among alternatives; promotes analytical theory; is concerned with process as well as structure of institutions; considers but does not make value judgments.	Report on historical development of economics as a science.	
	Read selected parts for general awareness of national economic problems and policy.	
	Read duplicated articles and interpret related questions.	
	Have students write a paragraph defining economics and how it involves them personally. Select some to be read aloud. Discuss and follow up with a good definition and the individual's role in an economic society.	
	Find articles on economic relationships in newspapers and magazines. Read some of these articles and list economic terms found in it. Make a composite list to determine terms used most frequently. Class - explain meaning of these terms - Can the class agree on an adequate definition of each? Use Glossary if term is too difficult.	
	Locate an economic prediction printed in a newspaper or magazine a year or two ago. On what facts or principles was the prediction based? Compare it with what really happened.	

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		*Iman and Murphy, The Economic Process: Inquiry and Challenge, 1969. *Samuelson, Economics, latest edition. *Soule, Introduction to Economic Science, 1962. *Heilbroner, The Making of Economic Society, 1962. *Martin and Miller, Economics and Its Significance, 1965. Primer #1 Wagner, What are Economic Problems? 1963, pp 1-4. Paperbacks *Ammer, Readings and Cases in Economics, 1966. *Hailstones, Readings in Economics, 1963. *Hailstones, Martin, and Wing, Contemporary Economic Problems and Issues, 1966. *Study Guide for selected 60-session series of the American Economy TV films, Joint Council on Economic Education, 1964.

UNIT II - THE COMMON PROBLEM AND THE NEED FOR AN ECONOMIC SYSTEM

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
A. The relation of unlimited wants to limited resources creates the condition of scarcity for all societies.	Ask class to suggest wants people did not have ten years ago. Ask them to speculate on new wants which we may have ten years from now. Interview producers in your local area to find out how they: 1) determine how much to produce 2) allocate productive resources at their disposal 3) decide when to change from one method of production to another. St. Thomas Aquinas was chiefly concerned with bringing everyday economic activities into harmony with the teachings of the medieval church. How would his views square with modern business practice? Are ethical considerations as important in modern business as they were in Aquinas' time?	Student Materials Text Goodman and Harriss, Economics, 1963, Chapter 2. Paperback Heilbroner, The Worldly Philosophers, Chapters 2 and 3. Excerpt Mortenson, Krider, Sampson, "Understanding Our Economy," 1969, p 19.
	Read and interpret duplicated articles and related questions.	Articles "Unlimited Wants: Consumer Spending and the Inverted Wedding Cake Theory" Laudsberg, "Will We Use Up Our Resources?" Brown, "Water Shortage is a Frame of Mind"
B. Because of scarcity each society must determine how scarce resources will be used to satisfy unlimited wants.	Show that land, labor, capital and management are all necessary to produce educational services in your community. Present your ideas in a poster-size drawing or in a written report.	Teacher Resources (Basic 12* *Mortenson, Krider, Sampson, Understanding Our Economy, 1969. *Calderwood and Fersh, Economics in Action, 1968.

CONCEPTS

ACTIVITIES

Examine copies of newspapers during the past week and identify economic activities and economic decisions reported within that period.

(Productive resources)
Students skilled in art may design posters illustrating the contribution of each factor in production and the form of income it receives.

Have students collect photographs of poor natural resources in parts of our nation and the world. Analyze and discuss: What is favorable? What are the consequences?

Draw up a list of all kinds of natural resources being used in your community; the various ways in which manpower resources are being used; and the kinds of capital being used. Compare lists in class.

Interview people engaged in a variety of activities (housewives, barbers, mechanics, farmers, postal employees, factory workers) to determine how technological changes have affected their productivity; how they believe the changes have influenced their contribution to the economy; and how their own standard of living has been affected by the changes.

By watching newspapers, have students build up a list of choices the nation currently faces in the use of resources. Some discussion will clarify what the alternative use of money and resources may be in some instances: e.g. if we don't send a man to the moon.

INSTRUCTIONAL RESOURCES

- *Robinson, Morton, Calderwood, *An Introduction to Economic Reasoning*, 1959.
- *Iman and Murphy, *The Economic Process: Inquiry and Challenge*, 1969.
- *Samuelson, *Economics*, latest edition.
- *Soule, *Introduction to Economic Science*, 1962.
- *Heilbroner, *The Making Of Economic Society*, 1962.
- *Martin and Miller, *Economics and Its Significance*, 1965.
- Primer #1, Wagner, *What are Economic Problems*? 1963.

Paperbacks

- *Ammer, *Readings and Cases in Economics*, 1966.
- *Hailstones, *Readings in Economics*, 1963.
- *Hailstones, Martin, and Wing, *Contemporary Economic Problems and Issues*, 1966.
- **Study Guide for selected 60-session series of the American Economy TV films*, Joint Council on Economic Education, 1964.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Have each student write up some examples drawn from his own personal experience of choosing and economizing in the use of a limited resource. Compare in class. Bring out the fact that the principles we are discussing apply not only to allocation of our spending money or income, but to the use of our limited energy, skills and time.	
C. Each society needs an organized way (system) to make economic decisions regarding: what, how, how much, and for whom to produce.	Select three economic decisions described in the newspapers and 1) identify the economic problem about which decisions were reached 2) indicate how you were affected by these decisions 3) how you might have been affected if a different decision had been reached concerning each of these problems.	
	Exchange judgments with other class members about whether it is likely there will always be varied economic systems in the world. Would having similar systems be desirable or undesirable?	
	Bring in thoughts on: 1) What state of affairs would exist if all individuals attempted to satisfy their desire for goods and services through only their own efforts? 2) What state of affairs would exist if there were no organized approach among the people of your community or in other communities for deciding what goods or services should be produced, how they should be produced, and how they should be shared.	

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	3) Develop class discussion on why economic systems are fundamental for making the decision societies face and why there are likely to be variations in economic systems. To illustrate a unique economic system, have students review the book Lost Horizon by James Hilton. Personalize and localize the central economic problem by drawing out current examples facing your students, their families, their community, and the nation.	

UNIT III - MODIFIED MARKET ECONOMY OF U.S.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
A. Our economic system is a modified, private enterprise or a "mixed" economy.		Student Materials Text Goodman and Harriss, Economics, 1963, Chapter 7. Lindholm and Driscoll, Our American Economy, 1964, Chapters 1 and 5.
	Have students read Heilbroner's chapter on Adam Smith and briefly answer the who, when, where, what, why questions about this economist and his ideas. How many of his theories still exist today? Why have some been modified?	Paperback Heilbroner, The Worldly Philosophers, Chapter 3.
	Read duplicated article on "Modern Systems" and discuss the economic type or types they represent. Point up U.S. system and its "modified" set-up.	Booklet American Education Publications, Today's Economics, "Modern Systems," p 13.
	Invite a local businessman into the classroom to talk on the importance of small business in our economy. Center discussion on three questions: Would you want your son or daughter to own and operate a small business? Why have small businesses always had a leading part in our economy? In the years ahead, what do you think will be the biggest problem confronting the small business owner? (Allow some time for question/answer session.)	Teacher Resources (Basic 12* *Mortenson, Krider, Sampson, Understanding Our Economy, 1969. *Calderwood and Fersh, Economics in Action, 1968. *Robinson, Morton, Calderwood, An Introduction to Economic Reasoning, 1959.
	Have students review chart of business organizations as presented in Goodman-Harriss, p 98. Follow up with similar chart on overhead projector leaving out various squares for student completion. (Can be used as quiz device.)	*Iman and Murphy, The Economic Process: Inquiry and Challenge, 1969. *Samuelson, Economics, latest edition.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Have student go to the Statistical Abstract for data in the number and sizes of different types of business organizations. Draw up some tables to show the results. Have good students read book reviews of the "Organization Man" by H.W. Whyte, Jr. Report findings to class. Induce class to think of their own behavior in terms of conformity vs. independence, individual ideas, etc.	*Soule, Introduction to Economic Science, 1962. *Heilbroner, The Making of Economic Society, 1962. *Martin and Miller, Economics and Its Significance, 1965. Primer #1, Wagner, What are Economic Problems? 1963. Paperbacks *Ammer, Readings and Cases in Economics, 1966. *Hailstones, Readings in Economics, 1963. *Hailstones, Martin, and Wing, Contemporary Economic Problems and Issues, 1966. *Study Guide for selected 60-session series of the American Economy TV films, Joint Council on Economic Education, 1964. Snider, Economic Myth and Reality, 1965, Chapter 15. Leamer and Thomson, American Capitalism, 196 Primer #2, Bloom, How the American Economy is Organized,
B. Consumer makes choices and producers respond to these choices; profit incentive motivates production and allocation.	Student reports on the business careers of some famous entrepreneurs such as Henry Ford, John D. Rockefeller, Cornelius Vanderbilt, Andrew Carnegie, J.P. Morgan, F.W. Woolworth, John Wanamaker, Edward Filene, etc.	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapter 7.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Find an article in the financial page of a daily newspaper which reports on the earnings of some business corporation. Were any dividends declared? Were earnings up or down? How do you expect the article to affect the market price of the stock?	Lindholm and Driscoll, Our American Economy, 1964, Chapter 6.
	Read and report on duplicated article: individual reports on duplicated articles illustrating influence of consumer decision making.	Articles Hailstones, "Readings in Economics" Anthony, "The Trouble With Profit Maximization" Wallace, "The Price System"
	Enrichment reading on manipulation of consumer demand by producers.	Paperback Packard, Hidden Persuaders 1957. Packard, The Waste Makers, 1963. Filmstrip "Profit and Cost Equilibrium," B 275 Films "Edge of Abundance," N.E.T. Films, University of Indiana, Rental (7.15) 60 minutes. Check Incorporated Association Films Teacher Resources Basic 12* Paperbacks Case Studies in Business History, 1 and 2, Heath and Co., 1968. Primer #2, Bloom, How the American Economy is Organized, pp 3, 19, 20.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Snider, Economic Myth and Reality, 1965, Chapter 13.
C. There is a circular flow of income in our entire economy, including flows between business and the public, between the public and government, between savers and investors.	Illustrate and explain circular flow of income and expenditures between private individuals and producers. Show the part savings institutions and government play in this circular flow. Require students to be able to diagram and explain the above flow relationship.	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapter 4. Lindholm and Driscoll, Our American Economy, 1964, Chapter 2. Film "The Story of Creative Capital," University of Minnesota, rental. Teacher Resources Paperbacks Leamer and Thomson, American Capitalism, 1968. Primer #2, Bloom, How the American Economy is Organized.
D. Consumers and producers register their individual decisions in a mechanism called "the market."	Have students play "An Economic Decision Game."	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapters 3 and 24. Lindholm and Driscoll, Our American Economy, 1964, Chapter 6. Booklet Rausch, "The Market," Science Research Associates, Inc.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Teacher Resources See Basic 12*. Primer #2, Bloom, How the American Economy is Organized. Paperback Leamer and Thomson, American Capitalism, 1968.
E. The interaction in the market of supply, demand, and prices, affect the basic decisions for our economy.	Play game involving principles of supply and demand. Find equilibrium price and quantity before and after a shift in supply or demand. Have students play "An Economic Decision Game." Prepare a supply schedule showing how many hours per week you would be willing to work at various hourly rates of pay. Use some part-time job you actually perform, i.e., baby sitting, lawn care, snow removal, clerking, check-out boy, etc. List ten examples of items for which demand is likely to be elastic; ten for which demand is likely not to be elastic. Explain why in each case. Are members of class in disagreement about how certain items should be classified? Why?	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapter 3. Lindholm and Driscoll, Our American Economy, 1964, Chapter 6. Booklets Federal Reserve Bank of Philadelphia, "The Price System." American Education Publications, "Today's Economics," p 19. Filmstrip "Supply and Demand," B 274. Film "And Then Came Market Prices," IMC F4032. Teacher Resources Basic 12* Primer #2, Bloom, How The American Economy is Organized. Ammer, Readings and Cases in Economics, 1966, pp 54-58.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
F. Competition benefits consumers and encourages productive efficiency.		Student Materials Texts Goodman and Harris, Economics, 1963, Chapters 3, 8, and 9. Lindholm and Driscoll, Our American Economy, 1964, Chapter 7.
	Report on duplicated article.	Article Solicater, "The Growth of Competition." Film "Competition on Business,' University of Minnesota, rental.
	Read duplicated article on "Bigness in Business" and discuss related questions.	American Educations Publications, Today's Economics, "Bigness in Business," p 29.
	Read duplicated case study on Alcoa about "Imperfect Competition" and discuss related questions.	American Educations Publications, Today's Economics "Imperfect Competition," p 31.
	Have interested students do research into the reasons for the lack of success of the Edsel and Tucker Auto. What does this tell about the prospects of new firms entering the auto industry?	Business Week, various issues from 1946-1948.
	Student panel discussion on topic "Is bigness a curse of blessing?" Two or three students present advantages; two or three students present disadvantages. Allow time for question/answer period.	Teacher Resources Basic 12* paperback Case Studies in Business: History #3, Heath and Co., 1968.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Present on overhead projector or blackboard the spectrum of market structures (pure competition; monopolistic competition; digopoly; monopoly). Have students try to locate where different industries would belong on this diagram.	Refer to Study Guide for Selected 60-session series of the American Economy TV Films, Film #59, Joint Council on Economic Education, 1964.
G. In the American economy, monopolistic forces interfere with pure competition and free, private enterprise.		Student Materials Texts Goodman and Harriss, Economics, 1963 Chapters 8 and 9. Lindholm and Driscoll, Our American Economy, 1964, Chapter 7.
	Read duplicated articles and questions. Report on and/or discuss review questions.	Articles Leonard, Challenge, "Industrialization and Market Power" Ammer, "Price Fixing in the Electrical Industry" Ammer, Readings and Cases in Economics, 1966, "Case, Price Fixing in the Electrical Equipment Industry" Ammer, Readings and Cases in Economics, 1966, "Case: Price Fixing by a Farm Co-op."
		Teacher Resources Basic 12* Primer #2, Bloom, How the American Economy is Organized, pp 23-26. Paperback Studies in Economics, Heath and Co., 1966, "Anti-trust Policy."

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
H. The government participates in our economy through regulation, allocation, and provision of services.	Read duplicated case study on "Public Needs" and discuss related questions.	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapters 9, 20-23. Lindholm and Driscoll, Our American Economy, 1964, Chapters 11-15 (particularly 15). American Education Publications, Today's Economics, "Public Needs," p 35. Teacher Resources Basic 12* Primer #2, Bloom, How the American Economy Is Organized. Paperback Snider, Economics Myth and Reality, 1965, Chapter 15.
I. Different nations frequently have different types of economic systems and the same nation may, at different times, use a different type.	Report on duplicated article.	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapter 31. Lindholm and Driscoll, Our American Economy, 1964, Chapter 20. Article Hailstones, Readings in Economics, 1963, "The Role of Product Prices in the Soviet Union" by Oxenfeldt.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Read Heilbroner's chapter on Karl Marx. Answer the following things: 1) List some adjectives that might be appropriate to describe the kind of man Marx was. 2) Briefly relate the basic concepts of his famous works: Communist Manifesto Das Kapital 3) What predictions did Marx make about capitalism? How did these turn out?	Heilbroner, The Worldly Philosophers, 1961, Chapter 6.
	Have students write papers identifying: 1) the specific economic and other freedoms which Soviet citizens do not have and U.S. citizens have, and 2) the specific freedoms which both have. Students should list their sources of information in their papers.	
	Have students do some research on similarities and differences in the Chinese and Russian approaches to communism. Report findings to class.	
	(Role playing) Pretend that you are a Soviet citizen working on a collective farm. You have a friend or relative in the U.S. with whom you correspond. Write an imaginary letter describing the structure of these farms from the standpoint of ownership, management, production, distribution, etc. (Use Reader's Guide for recent articles to supplement your background material.)	

CONCEPTS

ACTIVITIES

Assign oral or written reports to students on the methods by which other economies answer the problems of what, how and for whom? Good examples would include Great Britain, Sweden, India, Egypt, Canada, etc. Stress the problem confronting nations today of how to reconcile an increasing amount of centralized decision making with individual freedom, and how these particular countries approach the matter.

Research for further details on Great Britain's experience with nationalization and "Cradle to the Grave" social security.

Read and report or discuss the following articles and questions.

INSTRUCTIONAL RESOURCES

Articles
- Ammer, Readings and Cases in Economics, 1966, three articles:
  - Gyorgy, "Marx's Interpretation of Economics'
  - "Russia Seeks to Use the Profit Motive"
  - "The Swedish Welfare State"
- Hailstones, Readings in Economics, 1963, two articles:
  - "Why Communists Still Can't Grow Food"
  - "The Preparation of a Five-Year Plan in the Soviet Union"

Teacher Resources
- Basic 12*
- Fenton, ed., Comparative Economic Systems - An Inquiry Approach, Holt, Social Studies Curriculum.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Paperbacks Foundations of Modern Economics Series, Eckstein, ed. - Grassman, Economic Systems, 1967. Lee and McCreary, Capitalism and Other Economic Systems, 1968.

UNIT IV - ECONOMIC GROWTH AND STABILITY

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
A. Important to economic growth is a balanced expansion of productive capacity and effective demand leading to increased per capita output.		Student Materials Texts Goodman and Harriss, Economics, 1963, Chapter 32. Lindholm and Driscoll, Our American Economy, Chapter 21. Booklet "The Mystery of Economic Growth," Federal Reserve Bank of Philadelphia
	Read and analyze articles.	Articles "How to Produce More with Less Work," Productivity and Production in Industry (New York: National Association of Manufacturers, 1962), pp 5-9. Rostow, "The Stages of Growth as a Key to Policy," Fortune, December, 1959.
	Have student consult library to find the six states which spend the highest per capita amount on public education. How do these states rank in per capita income? Summarize findings in class.	Teacher Resources (Basic 12 *Mortenson, Krider, Sampson, Understanding Our Economy, 1969. *Calderwood and Fersh, Economics in Action, 1968. *Robinson, Morton, Calderwood, An Introduction to Economic Reasoning, 1959.

CONCEPTS

ACTIVITIES

Write the following on the board: "Americans are accustomed to expect that each year they will live a little better that the last." Discuss the questions: What does this mean in terms of production during the years ahead? What does the statement imply about our past productivity? Is our current growth rate adequate?

Secure printed copies of recent State of the Union or Annual Economic Report message of the President. Have students evaluate these for some of the following: How much emphasis was given to economic growth? With which aspect of growth is he most concerned?

During the unit, relate current legislation to these messages.

INSTRUCTIONAL RESOURCES

*Iman and Murphy, The Economic Process: Inquiry and Challenge, 1969.

*Samuelson, Economics, latest edition

*Soule, Introduction to Economic Science, 1962.

*Heilbroner, The Making of Economic Society, 1962.

*Martin and Miller, Economics and Its Significance, 1965.

Paperbacks

*Ammer, Readings and Cases in Economics, 1966.

*Hailstones, Readings in Economics, 1963.

*Hailstones, Martin and Wing, Contemporary Economic Problems and Issues, 1966.

*Study Guide for Selected 60-session series of the American Economy TV Films, Joint Council on Economic Education, 1964.

Primer of Economics #3, Wagner, Measuring the Performance of the Economy.

Economic Report of the President and Annual report of Council of Economic Advisors, 1969 (or current year).

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
B. Economic stability is growth avoiding the evils of inflation and depression.		Student Materials Texts Goodman and Harriss, Economics, 1963, Chapters 20 and 21. Lindholm and Driscoll, Our American Economy, 1964, Chapters 14, 15.
	Prepare a chart showing the effects of inflation and of deflation on a variety of economic groups. salesman construction worker minister teacher pensioner etc.	Booklet "Inflation and/or Unemployment," Federal Reserve Bank of Philadelphia.
	Using newspaper reports and data on price indexes, prepare for discussion of the question "Are we at present facing a period of inflation or deflation?"	Films - IMC F4035 "When Output was Low: the 1930's" F4036 "When Prices were High: the 1950's" F4039 "The Level of Business Activity: Knowns and Unknowns"
	Students read dramatic sections of Galbraith to stimulate interest in depression era.	Galbraith, The Great Crash; 1929.
		Teacher Resources Basic 12* Paperbacks Snider, Economic Myth and Reality, 1965, Chapters 5 and 6. Primer #4, Wagner, Income, Employment, and Prices. Refer to Economic Report of President.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
C. Measuring the performance of our economy is important to progress evaluation and policy formulation.		Student Materials Texts Goodman and Harriss, Economics, 1963, Chapter 4. Lindholm and Driscoll, Our American Economy, 1964, Chapters 2, 12, 21.
D. Specific aspects of measurement are Gross National Product, National Income, personal income, disposable income and index numbers.	Have students draw, label and explain flow chart in Lindholm and Driscoll text, pp 40-41. Assign articles to individuals or committees for analysis and report. Have students watch newspapers and magazines for use of measurement tools. Discuss them in class and post them on board.	Filmstrips B 267 "National Income" Part I B 268 "National Income" Part II Economics Annual, Senior Scholastic, January 31, 1969 (and subsequent annuals). Teacher Resources Basic 12* Primer #3, Wagner, Measuring the Performance of the Economy. Refer to Economic Report of President.
E. The level of National production and income is influenced by the total and individual spending of consumers, producers, and the government.		
F. The Federal Government can influence growth and stability through policy regarding taxing, spending, and managing the national debt.	Have a student or group of students give a report on John M. Keynes, the British economist considered to have had the strongest impact on the U.S. use of strong fiscal policy.	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapters 21-23.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Have a student copy (enlarge) the pie chart "How your tax dollar is spent" diagram in a current issue of "The Budget in Brief." Discuss: which of these expenditures is most often politically debated? Are there others which are seldom debated? Case study - Read article on "Federal Budget and Debt" and answer and discuss questions related to article.	Lindholm and Driscoll, Our American Economy, Chapters 11 and 12. Filmstrip "Business Cycles and Fiscal Policy" B 273 Films - IMC F4040 "The Tools of Fiscal Policy" F4041 "The Matter of Debt" F4038 "The Federal Budget: The Inflow" F4037 "The Federal Budget: The Outflow" Article "Tax Cut - the Triumph of an Idea," Business Week, April 11, 1964. Paperback Heilbroner and Bernstein, Primer on Government Spending, 1963. "The Budget in Brief," 1969 (or current issue) U.S. Government Printing Office. "Tax Cut - Price of Prosperity," Federal Reserve Bank of Philadelphia (series for Economic Education) American Education Publications, Today's Economics, p 49. Booklet "The National Debt," Federal Reserve Bank of Philadelphia

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Teacher Resources Basic 12* Paperback Snider, Economic Myth and Reality, 1965, Chapters 3, 4, and 6. Primer of Economics #4, Wagner, Income, Employment and Prices.
G. The Federal Government can influence growth and stability through controlling the supply of money.	Have class prepare questions on how a bank operates. A committee might call on local banker for answers and report findings to class or ask local banker to speak to class with question/answer session. From general reading: review general concepts of role of money in economy. Discuss: what is money? ("up from barter") what properties does it possess? ("acceptability, portability, divisibility, desirability, durability, store of value, etc.") Students should be able to explain "medium of exchange," "measure of value," etc.	Student Materials Texts Goodman and Harriss, Economics, 1963, Chapters 17-20. Lindholm and Driscoll, Our American Economy, 1964, Chapters 13 and 14. Booklets "Money: Master or Servant Federal Reserve Bank of Minneapolis "Money and Economic Balance," Federal Reserve Bank of New York "Keeping Your Money Healthy," Federal Reserve Bank of New York "Federal Reserve at Work,' Federal Reserve Bank of Richmond, Virginia "The Balance of Payments" Federal Reserve Bank of Philadelphia Filmstrip "Banking and Monetary Control" B 269 Films "Money in the Move," Federal Reserve Bank of Minneapolis (free)

CONCEPTS

ACTIVITIES

Show film "Bank Holiday Crisis of 1933."

Discuss: why banks were closed, why did "runs" develop? What can be done to avoid this? Develop necessity of "confidence and acceptability of a currency" to a discussion of "what is money?"

Have a student prepare a talk for class presentation on "How Banks Contribute to the growth of Business Opportunities."

Diagram deposit creation. Discuss how a bank loaning money to a person is really creating money. Have one student act as a banker. Have other students deposit play money on account. Have another receive a loan. Have banker give checkbook to the student. Point out the creation of money.

Have students explain how Federal Reserve policy toward reserve requirements, the discount note and open-market operations affects member banks, and how this policy can be applied to effect the money supply in the economy.

INSTRUCTIONAL RESOURCES

"Federal Reserve System," Federal Reserve Bank of Minneapolis (free)
"Bank Holiday Crisis of 1933" You Are There Series - CBS Television and Young America Films (rental)
Booklets
"Your Money and the Federal Reserve System," Federal Reserve Bank of Minneapolis
"Your Money Supply," Federal Reserve Bank of St. Louis

Teacher Resources
Basic 12*
Primer of Economics #4, Wagner, Income, Employment and Prices.
Paperbacks
Snider, Economic Myth and Reality, 1965, Chapters 1 and 2.
Board of Governors, The Federal Reserve System, Federal Reserve System Washington D.C., 1962 (current issue).
Dean, ed., The Controversy Over the Quantity Theory of Money, 1965.
Hamovitch, ed., Monetary Policy, 1966.
Gray, ed., The Dollar Deficit, 1967.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Bernstein, A Primer of Money, Banking and Gold, 1965. Welfling, ed., Money in our Economy, 1968. Booklet "List of Materials in Money and Banking," Banking Education Committee, American Bankers Association, New York.

CONCEPTS

A. In general, the market determines distribution of income: through taxing and spending, the government can, and does, redistribute income.

ACTIVITIES

Make a collection of current help wanted ads in newspaper. How do you account for differences in wages offered for various types of work? What is the proportion of jobs in goods-producing and service industries represented in your collection?

Play "Collective Bargaining" Game.

INSTRUCTIONAL RESOURCES

Student Materials
Texts
  Goodman and Harriss, Economics, 1963, Chapters 28-30, 10-11.
  Lindholm and Driscoll, Our American Economy, 1964, Chapters 8-10, 17.
Filmstrip
  "Spotlight on Labor"
  B 74
Films
  "Guaranteed Employment Plan," UAW-CIO, Mpls. Public Library (free)
IMC
  F4034 "Collective Bargaining Table"
  F9030 "Labor Comes of Age"
  F4033 "Patterns of Income Distribution"
  F3100 "What is Automation?
  "Strike in Town," Counselate General of Canada, 310 So. Michigan Ave.; Chicago, Illinois, (free)
  "The Inheritance," Amalgamated Clothing Workers of America (Mpls. Office) (free)
Game
  Rausch, "Collective Bargaining," Scientific Research Association, 259 E. Eirie St. Chicago, Illinois

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Make a bulletin board display on the theme "Our Changing Work Force." Some of the changes that might be illustrated with graphs and pictures are: declining agricultural employment, increasing employment in the service industries, especially in wholesale trade, employment growth in individual manufacturing industries (e.g., transportation equipment, electrical machinery, chemicals), decline in unskilled and semi-skilled labor, increased demand for skilled labor, increasing numbers of non-productive workers and growing employment of women.	Economics Annual, Senior Scholastic, January 31, 1969 (current) pp 8-9.
	Try to arrange an informal discussion involving a representation of management and of labor - the subject might be union management relationships.	
B. Real wages are strongly influenced by worker productivity and collective bargaining and political pressure.	Individual or committe reports on articles dealing with factors such as: union growth, "right-to-work laws," featherbedding, length of work week, wages and salaries, use of strike, grievance procedure.	Paperback Ammer, Readings and Cases in Economics, Ginn and Co., 1966, pp 236-271. Theobald, Free Men and Free Markets, 1965. Theobald, The Guaranteed Income, 1966. Theobald, The Challenge of Abundance, 1961.
	Find an office or factory in the community that has installed automatic machinery. Ask questions and report to class on the effects it has had on jobs, output, productivity, etc.	Booklet "Automation," Federal Reserve Bank of Philadelphia, (series for Economic Education).
	Read and outline this concise history of the modern labor movement in the U.S.	"The Labor Movement in the U.S.," Public Affairs Pamphlet #262 (25¢) (28 pages), 22 E. 38th St., New York.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Teacher Resources (Basic 12* *Mortenson, Krider, Sampson, Understanding Our Economy, 1969. *Calderwood and Fersh, Economics in Action, 1968. *Robinson, Morton, Calderwood, An Introduction to Economic Reasoning, 1959. *Iman and Murphy, The Economic Process: Inquiry and Challenge, 1969. *Samuelson, Economics, latest edition. *Soule, Introduction to Economic Science, 1962. *Heilbroner, The Making of Economic Society, 1962. *Martin and Miller, Economics and Its Significance, 1965. Paperbacks *Ammer, Readings and Cases in Economics, 1966. *Hailstones, Readings in Economics, 1963. *Hailstones, Martin, and Wing, Contemporary Economic Problems and Issues, 1966. *Study Guide for selected 60-session series of the American Economy TV Films, Joint Council on Economic Education, 1964.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		"Economic Report of the President," 1969(current year), U.S. Government Printing Office, Washinton D.C. Paperbacks Perlman, ed., Wage Determination, 1964, Studies in Economics series, Heath and Co. Snider, Economic Myth and Reality, 1965, Chapters 7-9.

UNIT VI - CONSUMER ECONOMICS

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
A. Intelligent consumer decisions make for efficient use of resources by both the individual and the economy.		Student Materials Texts Goodman and Harriss, Economics, 1963, Chapters 12 and 13. Lindholm and Driscoll, Our American Economy, 1964, Chapter 3.
	Give students worksheet to budget for a family of three (husband, wife, 2-year old child). Husband's income is $500 net a month. Assume they are renting. Also figure costs on an average month. Students work out budget sheets, bring to class for discussion, analysis and comparison to national averages.	Family Budget Worksheet (duplicated resource) Packard, The Hidden Persuaders, 1966. Booklets "Economics and the Consumer," Joint Council on Economic Education, 1212 Ave. of the Americas, New York. "Money Management - Your Budget," Household Finance Corp., Chicago. Duplicated glossary. Duplicated ditto of chart.
	Have students make chart showing which groups have power to control what advertising transgressions with what methods.	
	Use of resource person from Better Business Bureau or Attorney General's office.	Gordon, Current Issues in Consumer Economics, (master). Films "The Consumer Wants to Know," Consumer Union Film Library, (free). "Personal Money Management" Associated Films, (free) "The Great Label Mystery" NET Films Service (rental) University of Indiana

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
	Have students study and work selected problem involving Federal Income tax from the tax guide. Compare as to price and service a number of identical supermarket, drug store, and service station products at stores which offer trading stamps with those that do not. Next, compare the value of the many different trading stamps as to their redemptive value for premiums. What general conclusion can you draw from the investigation? What are some things a wise consumer will consider as to buying from stores that give stamps as opposed to those that do not?	"Edge of Abundance," NET Films Service, University of Indiana, (rental). Pamphlet "Understanding Taxes," (with Teacher's Guide and charts), pulication #21, U.S. Treasury Department, Internal Revenue Service. Wilson, Eyster, Consumer Economic Problems, 1966. Heckman, The Economics of American Living, 1965. "Catalog of Teaching Aids" Institute of Life Insurance, Education Division, 277 Park Ave., New York. "HFC's Money Management Program," Household Finance Corporation, Prudential Plaza, Chicago Illinois. Teacher's Kit Educational Service Division, National Consumer Finance Association 1000 16th St. N.W., Washington D.C. Six transparencies on consumer issues.
B. The Wise use of credit, savings, and investment can benefit both the individual and the economy.		Student Materials Texts Goodman and Harriss, Economics, 1963, Chapters 14-16.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Lindholm and Driscoll, *Our American Economy*, 1964, Chapter 4.
	Use of resource person from bank, loan company, on credit.	Booklets "Consumer Credit and You" A scriptographic booklet, Channing Bete Co., Inc., Greenfield, Mass. "Economics and the Consumer," Joint Council on Economic Education. Duplicated glossary.
	Have students read and analyze article on credit by working out related questions at end.	Duplicated ditto on "Auto Buyers."
	Read and evaluate article on consumer credit.	"Let the Buyer Beware!" *Senior Scholastic*, March 3, 1967.
	Acquaint students with various loan instruments.	Duplicated *note* and *mortgage* forms. "The Stock Market," *Senior Scholastic*, April 21, 1967.
	Have students select and chart four different types of stock over a period of time.	Investing in Stocks (master Films "Behind the Ticker Tape," American Stock Exchange (free). "The Lady and the Stock Exchange," Modern Talking Pictures Inc., New York (free). "Of Mutual Interest," Sterling Movies USA, 43 W. 61st St., New York

CONCEPTS

ACTIVITIES

Use of stock broker to speak to class. Question and answer session.

Acquaint students with Mutual Fund Investment.

Use of real-estate broker to discuss problems, advantages, disadvantages, in real estate investment.

Use of resource people from different areas of insurance. (or Mr. Provost from State Insurance Office)

INSTRUCTIONAL RESOURCES

Teacher Resources
- Wilson, Eyster, Consumer Economic Problems, 1966.
- Heckman, The Economics of American Living, 1965.
- "Catalog of Teaching Aids," Institute of Life Insurance, New York.
- "HFC's Money Management Program," Household Finance Corp., Prudential Plaza, Chicago, Illinois.
- Teacher's Kit, Education Service Divison, NCF Association, Washington D.C.

Booklets
- Phelps,"Using Installment Credit," 1962, Education Division, Commercial Credit Co., Baltimore.
- "Portfolio of Teaching Aids" to accompany "You and the Investment World" New York Stock Exchange.

Johnson Chart Investment Book, School library, (transparencies).

Packet of student and teacher materials from local office of Social Security.

Teacher

Institute of Life Insurance, 488 Madison Avenue, New York 22, New York
- "Catalog of Teaching Aids on Life and Health Insurance and Money Management"

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		"Handbook of Life Insurance" "Life Insurance Fact Book" "Tips for Teaching Life and Health Insurance" "Decade of Decision" "Source Book of Health Data" "Books, A List of Current Health" "Insurance Books" "A Teachers Guide to Sharing the Risk" "Teachers Manual for the Mathematics of Life Insurance" Student Institute of Life Insurance, 488 Madison Avenue, New York 22, New York "Policies for Protection" "Sharing the Risk" "Moderns Make Money Behave" "A Date with your Future" "Blueprint for Tomorrow" "The Mathematics of Life Insurance" Insurance Information Institute, 110 William St., New York 38, New York "A Family Guide to Property and Liability Insurance" Packet of student and teacher materials from local office of Social Security.

CONCEPTS	ACTIVITIES	INSTRUCTIONAL RESOURCES
		Film "The Invisible Force," (Insurance), American Films, Inc., 561 Hillgrave Ave., LaGrange, Illinois (free).

Duplicated Resources
for
Consumer Economics Unit

1. Project 54 - Investing in Stocks
2. Note
3. Chattel Mortgage
4. "Why Auto Dealers Don't Like Cash Buyers"

   "Chart Shows Which Groups have Power to Control What Advertising Transgressions with What Methods"
5. Family Budget Worksheet
6. Family Finance Glossary

Name ______________________________

PROJECT 54 - INVESTING IN STOCKS

Assume that you have the funds to buy a unit of 100 shares of stock in each of four different corporations. From the quotations in the financial section of a city newspaper, select four different types of stocks (e.g., one rail, one utility, and two kinds of industrials), and keep a record of the dialy transactions on these stocks for two weeks. At the end of the period determine how much you have gained or lost on the value of each stock. It is to be remembered that gains or losses you may make do not take into account brokerage commissions, taxes, and other costs that may be incurred in your transactions.

Use the graphs below to plot your information. At the top of each graph give the name of the stock; below each graph give purchase price, final sales price, and gain or loss (+ or -). Set your own vertical scale to allow for fluctuations within each graph. Use the same scale on each graph (e.g., let one vertical equal 1/3 change.)

Name of stock:	Name of stock:	Name of stock:	Name of stock:
____________	____________	____________	____________

Purch. Price:	________	________	________	________
Final Sales Price:	________	________	________	________
Gain or loss (+ or -):	________	________	________	________

No.__________

Name ____

Address ______________________________________

City __________________________________, Minnesota.

County

____

COMMUNITY CREDIT CO., **Payee**

____________________________________, Minnesota.

NOTE

Amount $________________ ________________, 19_____

____&___/100

For Value Received, _____months after date, the Undersigned jointly and severally promise to pay to the order of Community Credit Co. the principal sum above indicated, together with interest at the rate of Eight Per Cent (8%) per annum after maturity and have assigned and deposited herewith as collateral security Investment Certificate of Community Credit Co. bearing the same number as this Note.

The words "undersigned" and "we" include makers, signers, endorsers, guarantors and sureties, and each of us jointly and severally promises to pay and perform the obligations hereof.

We agree that until this note is paid the holder may call for additional collateral security whenever that herein described shall be insufficient in the opinion of the holder and that on failure to immediately comply with such demand, or default be made on any installment payments on any property pledged as collateral, or in case of the insolvency or bankruptcy of, or of any general assignment by, any of the undersigned, or upon the appointment of a receiver for any of the undersigned, or in the event of default in any of the terms of this note, then this obligation, at the option of the holder, shall immediately become due and payable whether due according to its face or not, and the holder then may sell said collateral at public or private sale, without notice or demand of performance or demanding payment, with the right to said holder to be purchaser; and after deducting all legal costs and expense for protection of said property and the sale and delivery thereof, the residue shall be applied to the payment of this note and the surplus, if any, returned to the undersigned, and in case the proceeds of the sale of said collateral shall not cover the principal, interest and expense, the undersigned promise to pay the deficiency forthwith.

We agree that in the event that the amount actually loaned shall be less than the face amount herein, liability shall be for the amount actually loaned or for any balance remaining unpaid, and assent to the addition of one or more signatures to this note, and agree that it shall not be necessary for the holder to resort to legal remedies against any of the undersigned before proceeding against any other of the undersigned; and agree that no release of one or more of us, whether by operation of law or by act of the holder of this note shall release any of the undersigned; and agree that if this note is placed in the hands of an attorney for collection in the event of default in any of the terms and conditions herein, to pay in addition to the principal and interest, (15%) of said principal and interest for and as attorney's fees and collection expense. We waive notice of acceptance, demand, protest and notice of protest, and notice of default, presentment for payment and diligence in collection; and we agree that the holder shall not be compelled to resort first to the collateral hypothecated for the security of this note, and may at its option require any of the undersigned to pay this note, and we assent to any renewal or extension of time of payment or performance of any of the conditions of this note.

Additional Signatures

____

____

____

Signatures

____

____

____

Form No. 1A

No.__________

INVESTMENT CERTIFICATE

Name____
Address____
City _________________________________, Minnesota.
County
____

COMMUNITY CREDIT CO., **Issuer**
______________________________________, Minnesota.

Amount $__________________ ________________, 19__
____&___/10

Payable in_______MONTHS
in (______semi) monthly installments of $________________eac
beginning on the________day of______________________, 19__

Subject to the terms and conditions herein set forth, this certifies that the individual(s) named above is the owner of an Investment Certificate of Comm Credit Co. in the principal amount shown above, and has been registered as such on the books of the Company.

The owner of this Certificate agrees to pay Community Credit Co., at its office, the above principal sum in equal successive monthly (or other period indic above) installments as set forth above.

This Certificate shall not bear interest.

This Certificate is transferable only upon the books of Community Credit Co. upon presentation thereof with proper endorsement thereon.

Community Credit Co. agrees to accept this certificate as collateral for any loan or loans made by it to the holder hereof but reserves the right to refuse appl tions for loans from the holder or holders hereof for any reason that it may deem sufficient. Upon maturity of any loans made upon the security of this Certific Community Credit Co. agrees to accept from the holder a surrender of this certificate and thereupon apply the amounts, if any, paid on the Certificate, less la handling charges, to the reduction of the balance owing on said loan or loans.

Countersigned:

COMMUNITY CREDIT CO.

____
Authorized Signature

By____
Authorized Signature

I hereby agree to purchase the above investment certificate and agree to the terms and conditions thereof.
For value received, I hereby assign, pledge and transfer the above investment certificate together with all my rights and interest in the same to Commu Credit Co. as security and as collateral for any loans made to me.

Dated______________________________, 19_____ ______________________________________(S

Witness______________________________________ ______________________________________(S

Form No. 1A

NOT VALID UNLESS COUNTERSIGNED

First Carbon Note

Name____
Address____
City _________________________________, Minnesota.
County
____

COMMUNITY CREDIT CO., Mortgagee
______________________________________, Minnesota.

Amount $__________________ ________________, 19__
____&___/100

Payable in_______MONTHS
in (______semi) monthly installments of $________________each
beginning on the________day of______________________, 19__

FREE SERVICES FOR YOU

- Paychecks Cashed.
- Notary Service.
- Personal Budget Planning.
- Advice On Auto Insurance.
- Advice On The Financing of Anything.

And S&H GREEN STAMPS!

SPACE IS PROVIDED UNDERNEATH COUPONS TO RECORD YOUR PAYMENTS.

This record is merely for your convenience and entries herein do not constitute a receipt.

DATE MAILED	AMOUNT	DATE MAILED	AMOUNT	DATE MAILED	AMO

If default is made in any payment then at the option of the lender the wh amount of the loan then unpaid shall at once become due and payable

Second Carbon Note

FILMED FROM BEST AVAILABLE COPY

Name ______________________

Address ______________________

City ______________________, Minnesota.

County

____

COMMUNITY CREDIT CO., Mortgagee

______________________, Minnesota.

Amount $______________ ______________, 19____

______________________________ & ___ /100

Payable in ______ MONTHS

in (______ semi) monthly installments of $______________ each,

beginning on the ______ day of ______________, 19____.

Know all men by these presents, that the individuals identified above, of and in the city and county named above, State of Minnesota, hereinafter called Mortgagor, hereby sells, conveys, transfers and mortgages to Community Credit Co., a corporation of the State of Minnesota, with an office located as shown, herein called Mortgagee, the following described chattels, located at Mortgagor's address above, to-wit:

Year	Make	No. of Cyls.	Model	Type of Body	Serial No.	Motor No.	License No.
1							
2							

Complete with all attachments and equipment.

Living Room

Davenport ______

Arm Chair ______

Coffee table ______

End table ______

Lamps ______

T.V. ______

Stereo, Rad. ______

Dining Room

Table ______

Chairs ______

Buffet ______

China Closet ______

Hutch ______

Bedroom

Dbl. Bed. Spg. & Mat. ______

Sgl. Bed. Spg. & Mat. ______

Vanity ______

Dresser ______

Chests ______

Kitchen Utility

Range ______

Refrig. ______

Washer ______

Dryer ______

Table ______

Chairs ______

Dishwasher ______

Misc.

Freezer ______

Sew. Machine ______

Rugs ______

Lawnmower ______

Vacuum ______

Misc. ______________________________

And, if household goods are listed above, then this mortgage shall cover all other goods and chattels of like nature and all other furn., household appliances, television sets, radio sets, fixtures, carpets, rugs, clocks, fittings, linens, china, crockery, cutlery, utensils, silverware, musical instruments and household goods hereafter to be acquired or commingled with or substituted for any property herein mentioned, said property now being and remaining or hereafter being and remaining in the Mortgagors' possession.

TO HAVE AND TO HOLD the same unto said Mortgagee, its successors and assigns, forever, provided nevertheless that if the said Mortgagor shall well and truly pay or cause to be paid to said Mortgagee, its successors, assigns or authorized agents at its or their regular place of business the principal sum indicated above in the successive monthly installments indicated above, succeeding installments after the first being payable on even dates of each succeeding month thereafter, until the principal amount of this mortgage is fully paid, and any renewals of the same, or any part thereof, together with interest after maturity at the highest legal rate until paid and shall punctually and faithfully perform each, all and every covenants, stipulations and agreements herein contained on his part to be performed, then this instrument shall be void, otherwise to remain in full force and effect.

Said Mortgagor further promises that he will use said goods and chattels with reasonable care, skill and caution, and keep same in good repair without any liability on the Mortgagee, and under shelter, and will not permit the same to be damaged, injured or depreciated, and will not attempt to sell, assign or dispose of said goods and chattels, or any interest therein, or remove or permit the same to be removed from the county wherein he, she, it, resides without the written consent of said Mortgagee, and will not encumber or permit any encumbrance or lien of any character whatsoever against the same; and that he will pay all taxes that may be levied against said goods and chattels, this instrument or the indebtedness secured hereby.

Mortgagor agrees that in the event of any law requiring or permitting the recordation of this Agreement or notice thereof, that it shall be recorded at the expense of the Mortgagor and in his name, and at any time, by the Mortgagee, or the holder of this agreement.

Mortgagor covenants that he exclusively owns and possesses said mortgaged personal property and that there is no lien, claim or encumbrance or Conditional Sale Agreement covering the same excepting ______________________ (if "none", so state). Mortgagor further covenants that he will not use or cause or permit to be used the Car herein mentioned for the transportation of liquors, wines or any other beverage, for personal or commercial use, prohibited by any Federal or State statute to be transported, and it is hereby agreed that should the Car, hereinbefore described be used for such purpose or any other unlawful purpose, it shall be considered as a default under the mortgage, whether or not, there shall be a default under any other terms or conditions hereof, which shall entitle the holder hereof to immediate and continued possession, by replevin or otherwise, of the Car herein described. If household goods are covered by this mortgage, the provisions of this paragraph as to said Car shall likewise be applicable to said household goods insofar as applicable to any unlawful use thereof.

Mortgagor shall keep said mortgaged property insured against fire, windstorm, theft and all physical damage payable to and protecting Mortgagee for not less than the total amount owing on said note until fully paid. Loss, injury or destruction of any of the mortgaged property shall not release mortgagor from payment hereunder. Mortgagor agrees to obtain and keep in force at his expense all such insurance, and other insurance requested by Mortgagee, in form, amount and written by insurers satisfactory to Mortgagee. If Mortgagor does not do so, Mortgagee is authorized to do so at Mortgagor's expense to be included herein or paid by Mortgagor on demand. All premium refunds are assigned by Mortgagor to Mortgagee to the extent of unpaid balances due under this mortgage.

And in case said Mortgagor shall neglect or refuse to pay said taxes as aforesaid, or permit said goods or chattels to be damaged, injured or depreciated, then said Mortgagee may at said Mortgagee's option pay all such taxes and assessments aforesaid, repair any damage or injuries and restore any depreciation; and all sums of money thus expended are hereby secured by these presents and shall, upon demand, be repayable by said Mortgagor to said Mortgagee, and may be retained by said Mortgagee from the proceeds of the sale of said goods and chattels herein authorized.

In case default be made in the payment of said debt or interest after maturity, or of any of the payments above scheduled, or any extensions or renewals or rearrangements thereof, or if any execution, attachments, sequestration or other writ shall be levied on said goods and chattels or on any other property of Mortgagor or if a petition under the Bankruptcy Act or any Amendment thereof shall be filed by or against said Mortgagor, or if said Mortgagor shall make an assignment for the benefit of his creditors, or if said Mortgagor shall fail to keep and perform any of the covenants, stipulations and agreements herein contained on his part to be performed, or if any insurance company should cancel as to Mortgagor any policy against the hazards of fire and theft, or if said Mortgagee shall at any time deem said mortgage, said chattels, said debt or said security unsafe or insecure, or shall choose so to do, then upon the happening of said contingencies or any of them, the whole amount herein secured and each of the above scheduled payments remaining unpaid are admitted by Mortgagor to be immediately due and payable and the whole thereof shall, without notice and at Mortgagee's option, become and be immediately due and payable, and said Mortgagee at its option without notice, is hereby authorized to enter upon the premises of the Mortgagor or other places where said property might be, and take possession of and remove said property, and all equipment, accessories, or repairs thereon, which shall be considered a component part thereof and subject to this mortgage, and, without legal procedure, sell the same and all equity of redemption of the Mortgagor therein, either at public auction or private sale, in such county and at such places as Mortgagee may elect, without demand for performance, and out of the proceeds of said sale pay all costs and expenses of pursuing, taking, keeping and advertising and selling said goods and chattels, including reasonable attorney's fees, and apply the residue thereof toward the payment of said indebtedness or any part thereof, in such manner as said Mortgagee may elect, rendering the surplus, if any, unto said Mortgagor, his executors, administrators and assigns, upon demand. Mortgagee may take possession of any other property in the above described motor vehicle at the time of repossession and hold the same temporarily for the Mortgagor without any responsibility or liability on the part of the Mortgagee or its assigns.

And said Mortgagee may purchase at any such sale in the same manner and to the same effect as any person not interested herein. If from any cause said property shall fail to satisfy said debt, interest after maturity, costs and charges, said Mortgagor covenants and agrees to pay the deficiency.

The waiver or indulgence of any default with respect to any of the terms and conditions herein contained shall not operate as a waiver of subsequent defaults.

This mortgage shall apply to and bind said Mortgagor, said Mortgagor's heirs, personal representatives, successors and assigns and inure to the benefit of said Mortgagee, said Mortgagee's representatives, successors and assigns.

MORTGAGOR'S RECEIPT FOR COPY

The undersigned Mortgagor hereby acknowledges the receipt from the Mortgagee of a true, correct and complete copy or duplicate of this mortgage.

IN WITNESS WHEREOF the Mortgagor has hereunto set his hand this ______ day of ______________, 19____

X ______________________ (Mortgagor Sign Here)

X ______________________ (Mortgagor Sign Here)

Form No. 1

STATE OF MINNESOTA }
____________________COUNTY } ss.:

BEFORE ME, the Undersigned, a Notary Public in and for________________County, State of Minnesota, this_______ day of_______________________, 19____, personally appeared____ and acknowledged the execution of the foregoing instrument to be______________free and voluntary act and deed.

WITNESS my hand and official seal.

My Commission Expires

____
Notary Public.

____

WHY AUTO DEALERS DON'T LIKE CASH BUYERS

Free competition depends on informed buyers. The buyer who pays cash for a car can compare prices charged by competing dealers. The buyer who does not pay cash (and most autos are sold on credit) is sometimes not so lucky. This article, which originally appeared in a leading consumer publication, points out that some unethical auto dealers will deliberately deceive customers into paying excessive credit charges.

In hearings held at both Federal and state levels, and in a number of court cases, evidence revealing the degree to which auto retailing has become a kind of con game has been accumulating. One of the most recent records was compiled by the dealers themselves, together with their commercial allies, the banks and other lending institutions, at a hearing before California's Corporations Commissioner. The matter under consideration was Sears, Roebuck & Co.'s request for a license to go into the business of making automobile loans.

. . .

It was quite a hearing. Banks, small loan companies, industrial loan companies, sales finance companies, independent insurance companies, and auto dealers were all there, as well as Sears, of course. A big pot was at stake. More than 10% of all cars sold - new and used, for cash or credit - are bought in California, where auto sales this year could total as much as $4 billion. An estimated 70% of that amount will be financed at rates ranging upward of 36% true annual interest to a low of around 8%. These latter terms are the $4-a-$100 bank loans made directly to consumers with good credit ratings. Such low-cost loans account for only a fraction of car debt, however, because banks and other lenders make most of their loans through dealers, whose rates are considerably higher. Allstate (the Sears insurance company) terms, said Sears, would be competitive with low bank rates. Competition on rates, however, was not the only dealer worry, nor was it the worst. What upset auto dealers most was that the Allstate loans, like the low-rate bank loans, would be made directly to car buyers; hence these borrowers would become, so far as dealers were concerned, cash buyers in their salesrooms. And the more cash buyers are decidedly not what dealers are looking for.

. . .

The amount of the profit to be made from selling cars on time depends, in large part, on the opportunities offered for manipulating charges - or "making a package," as they say in the trade. A package consists of trade-in, insurance, and finance rates. "Three ways to skin a cat" is the way one banker at the hearing put it. "We have different rates depending on the risk," said a Ford dealer. And in answer to the question "So you adjust the basic price of the car to fit the deal you can make?" another dealer said: "Every automobile dealer in the United States has to adjust the deal to the customer's ability to pay..."

From "Why Auto Dealers Don't Like Cash Buyers" in Consumer Reports (May, 1965), pp 258-261. Reprinted from Consumer Reports with permission. Copyright 1965 by Consumers Union of the U.S., Inc., a nonprofit organization.

Poor Credit Better Than Cash

The dealer, however, does not adjust his price as the old-fashioned family doctor did. In auto salesrooms, the charge is an inverse of the ability to pay - the lower the ability, the higher the price. This,too, was freely admitted by the dealers. There was, in fact, a good deal of testimony from both dealers and lenders about the amount of poor-risk credit they extended. Nevertheless, the dealers, in particular, made it plain that they preferred the gamble of extending poor credit to the assurance of selling cars for cash. The gamble, of course, is not great. The car can always be repossessed to serve as a lure to another, and still higher-cost, credit deal. (Loans on used cars earn higher rates than do those on new cars.) Thus the profit possibilities offered by even the poorest credit risks are such that dealers discourage cash buying. ...

The trouble with the cash buyer, as the dealer sees him, is his interest in price. Furthermore, a cash transaction is usually too straightforward to allow for stratagems to deflect attention away from price. Opportunities to befuddle the credit buyer, on the other hand, are multiple beyond any layman's imagination.

. . .

Selling at big-volume outlets, it appears, is done on "the shuffle system," by a team made up of a "liner," a "T-O man," a finance man, and a "closer." The liner, who meets the prospect at the door, lines him up: learns whether he is a cash or a credit buyer, what he has to trade in, how much a month he plans on paying, and so on. The T-O man, to whom the liner T-O's (turns over) the prospect, builds up the deal with more extras, more insurance, longer terms, etc. The finance man figures up the take on one deal as opposed to another, adjusts the terms to make up for the trade-in, and contacts a co-operating small loan company if extra cash is needed to bolster a down payment. The closer winds up the deal.

. . .

Fast-Shuffle Crews

...the auto fast-shuffle crews know how to apply pressure almost to the limits of endurance. Salesmen appear, disappear, and reappear, "purposely making the customer wait," wrote the Committee, in order to render him "physically tired of waiting." "psychologically tired of negotiation," and "more prepared to conclude an agreement and make concessions." Witnesses told of spending four to five hours in one visit to a salesroom.

One technique used to hold a customer throughout this ordeal by waiting is an astonishingly simple one known as "bushing," which the Committee defined as trapping a customer on the premises by depriving him of the automobile in which he drove to the lot. As an example of bushing, the Committee quoted from its records the case of Mrs. Hazel Cary, who had driven to the lot in a Nash:

CHAIRMAN REES: When you wanted to get out and get in your car and drive away, you just couldn't find the Nash?

MRS. CARY: I asked three times definitely, "Where is my car?" because I wanted to get out and drive away. They said, "Well, I don't know where it is. Maybe so-and-so knows." And you couldn't find anybody around there. Nobody knew where anybody was; there are so many of them running around here, there, and everywhere. You ask somebody and, "Oh, I don't know. Maybe he is over there."

At the end of two hours Mrs. Cary bought a new automobile, signed the papers, got in the new car immediately to drive away, and found, neatly piled on the front seat, all the personal effects that had been in the trunk and glove compartment of the missing car.

Whether induced by bushing or more subtle techniques, waiting time is apt to be spent in small customer booths called "hot boxes." A hot box is a booth wired for sound so that the sales crew has access to its victims' changing state of mind. The Committee reported on the box this way:

> He excuses himself for a few minutes, leaving his customers alone in the booth to talk among themselves, and goes into a back office to listen to them. He hears a conversation that concludes with the wife's agreeing: "If we can pay $85 a month, it's OK with me. That way we can make those payments all right and still get by with the furniture loan also." The salesman soon returns to his customers, armed with the knowledge of their private thoughts, and asks whether they could afford "about $85 a month?" He has figured out that a 30-month contract at $85 a month is a little better even than the 24-month contract at $100 a month he was trying to write. ...

It is in the negotiating that goes on as the liner, the T-O man, and the finance man pop in and out of the hot box that the car buyer really gets the business, however. Deal after deal is gone over, jotted down, added up, discarded, rewritten. The customer is often asked to sign several sets of documents, papers that are sometimes blank, sometimes filled out; but "in all cases," says the Committee, these multiple documents are used as "a means of preventing the customer from knowing, at any given moment, whether he is bound on any contract and, if he is, what the exact terms of the contract are." Yet, in spite of all the paper shuffling, or perhaps because of it, a great many auto contracts are signed in blank and a good many car buyers never do know what they have signed. They are not given copies of their contracts. Even if they were, chances are a number of them would have difficulty detecting such expensive paper traps as that: they have been sold unnecessary and extremely costly insurance; they have received limited coverage after asking for full coverage; their insurance premiums, which run for only one year, are included in the unpaid balance on which they pay interest for three years; their unpaid balance includes a part of their down payment; they have a balloon payment (a large final payment) they did not know they had; they have signed a second-mortgage on their home without knowing it, they have signed for a small loan at high interest rates in addition to the car loan; their debts were not consolidated as promised; and so on and on and on.

There is, practically speaking, no redress for such abuses. As the Committee pointed out "a wronged buyer, whose loss is likely to be only a few hundred dollars, may find it difficult to obtain an attorney and will be dissuaded from taking any action at all." Dealers, on the other hand, "make a practice of fighting all cases...refuse to settle them and, if they lose in trial court, they invariably file an appeal."

. . .

Not all customers are equally abused. One of the liner's jobs is to figure out just how much of a pigeon has walked onto the lot. The cash buyer, the sophisticated buyer, and the rare customer who can match aggressiveness and cunning with sharpsters can withstand a fast shuffle. And all dealers are not inclined toward, nor equipped for, such dealings. The Committee's conclusion was that only a small minority of the dealers were involved in the most serious offenses; but the Committee noted that this minority was made up of large-volume dealers, whose activities exert an almost irrestible influence over smaller dealers.

For Review and Analysis

1. What effect would a "truth in lending" bill have on the practices cited in this article?
2. Is the "hard sell" a sign of competition or lack of competition? Do the practices described in this article increase competition or reduce it? How do the answers to these two questions relate to one another?
3. Why would Sears, Roebuck, a leading department store and mail-order firm, want to go into the automobile finance business?
4. Why doesn't competition work to drive down finance charges?

CHART SHOWS WHICH GROUPS HAVE POWER TO CONTROL WHAT ADVERTISING TRANSGRESSIONS WITH WHAT METHODS

TYPE OF TRANSGRESSION	Prosecution	Cease and desist orders, stipulations	Censorship	Exposure	Censure	Advertiser and agency education
Fraud, misrepresentation	FTC Post Office FDA States Cities	FTC Post Office FDA States Cities	Media Post Office	FTC BBBs Post Office	BBBs Associations	BBs FTC Associations
Misleading ads, including phony prices	FTC Post Office FDA States Cities	FTC Post Office FDA States Cities	Media Post Office	BBBs FTC Post Office	BBBs FTC Assoc.	BBBs FTC Assoc.
Trickery, including bait advertising		FTC States Cities	Media	BBBs FTC	BBBs FTC Assoc.	BBBs FTC Assoc.
Exaggerations			Media	BBBs	BBBs Assoc.	BBBs Assoc.
Advertiser excesses (saturation, repetition, commercials too loud, reader ads, gatefolds, etc.)			Media		Assoc.	Assoc.
Media excesses, (triple-spotting, poor placement of ads and commercials)			Media (self-control) FCC		Assoc.	
Bad taste (body diagrams and functions, "Tell Mommy to buy" appeals, gross use of sex and fear, disparagement of competitors, etc.)			Media FCC (no hard liquor, etc.)			Assoc.
Inanities			Media			Assoc.

From "A Program to Restore Truth and Taste - and Public Confidence - in Advertising," Printers' Ink, December 18, 1959, pp 22-23

*FTC - Federal Trade Commission
*FDA - Food and Drug Administration
*BBB - Better Business Bureau

FAMILY BUDGET WORKSHEET

For month of ...., 19.......

This worksheet is designed to assist the family in planning and record keeping. Families should compare their allowances in each area with averages shown in the Family Budget Slide Guide.

FOOD $..........

Groceries, meat, milk, vegetables, eggs, fruit, etc., cost of lunches and all meals out, etc.

ITEM	AMOUNT

HOUSE OPERATION $..........

Fuel, light, gas, telephone, water, household help, gardener, household supplies, cash or credit payments for household furniture and equipment, household appliances, draperies, linen, etc.

ITEM	AMOUNT

CLOTHING $.......

Clothing for all members of the family, dry clec ing, laundry, repairs, pressing, miscellaneous cessories, etc.

ITEM	AMC

SHELTER $..........

Rent or that part of payment on home which is applied to interest, repairs and property improvement, real and personal property taxes, fire insurance, etc.

ITEM	AMOUNT

TRANSPORTATION $..........

Carfare, automobile payments, auto insurance, repairs, tires, gas, oil, upkeep on car, etc.

ITEM	AMOUNT

PERSONAL ADVANCEMENT $........

Health, health insurance, education, recreation, vacation expense, newspapers, magazines, books, hobbies, dues, state income taxes, membership fees, personal allowances, baby sitter, entertainment, etc.

ITEM	AMOI

TOTAL EXPENSE $..........

Note: Copy totals from the three "HERS" columns, add and put total at right—Do same for "HIS"—then add.

ITEM	AMOUNT	
FOOD		
HOUSE OPERATION		
CLOTHING		
TOTAL "HERS" BUDGET		
SHELTER		
TRANSPORTATION		
PERSONAL ADVANCEMENT		
TOTAL "HIS" BUDGET		

TOTAL "HERS & HIS" EXPENSES $

SAVINGS, INS., CONTRIB. $.......

Savings accounts, retirement programs, life insurance, stocks, bonds, payment on home mortgage principal. Contribution to churches, charities, misc. gifts, etc.

ITEM	AMOUNT

➕ TOTAL SAV. & CONT. $

NET INCOME $..........

Although payroll deductions may include savings, taxes, union dues, etc., it is simpler to ignore these deductions as items already budgeted, and to use the take home pay or net monthly income as the basic budgeting figure.

BUDGET GUIDE	AMOU
Husband's Monthly Take Home Pay	
Wife's Monthly Take Home Pay	
Other Regular Monthly Income	
Other Regular Monthly Income	

= NET MONTHLY INCOME $

EDUCATIONAL SERVICES DIVISION
NATIONAL CONSUMER FINANCE ASSOCIATION
1000 SIXTEENTH STREET, N.W., WASHINGTON, D. C. 20036

INSTRUCTION SHEET

DIVIDED RESPONSIBILITY FAMILY BUDGET PLAN

Family Goals

People want many things from a marriage. As husband and wife they want to find happiness. As parents they want to give their children every possible advantage. And as a family unit they want to be financially independent—to enjoy a good standard of living, and a reasonable degree of economic security.

Family happiness depends largely on how successful people are in achieving these ambitions. The amount of income is not the most important factor. One need only read his daily paper to know that people with high incomes have family problems too. The key seems to be in planning family spending—in budgeting.

A family budget plan adds to the security of family relationships. It eliminates doubts, distrust, and baseless fears. It helps get the most from resources and still maintain a safeguard against emergencies. It helps people live more fully in the present even while they are preparing for the future.

Family Budgeting

DO NOT ATTEMPT TO MAKE YOUR OWN PERSONAL BUDGET CONFORM EXACTLY TO THE BUDGET GUIDE, but do compare your budget with the Guide. If you are high in some areas, be sure there is a good reason. If there is, remember you must cut down in some other areas to make up for it. A budget is a specialized plan for a certain family. It should help them get the most out of their resources in terms of things that are important to them. That is why your budget will not be exactly like the Budget Guide, nor like anyone else's budget. The important thing is to plan your spending and savings so that your income will provide for your family the maximum of the things that are important to each of you.

Budgeting is Easy as ABC

A. Using the Budget Guide, find the monthly expenditures for families with your net income (take home pay), and with your number in family. This is an average budget.

B. Next keep a record of your family's actual spending for one month and enter in the appropriate lines of the worksheet on the back of these instructions. Note the "Hers," "His," and "Theirs" totals.

C. Compare your actual "Total Expense" with the Guide and decide how much *your* family *should* spend in each category. Check to be sure that Total Expense plus Savings equals Net Monthly Income (bottom of worksheet). The result is your family's personalized budget. Try hard to stay within its limitations. It should serve you until your income or your needs have changed, then you will want to make up a new budget.

Dividing The Responsibility

The easiest way to follow your personalized budget is the Divided Responsibility Plan. In some households, the husband or the wife assumes all the responsibility for budgeting and spending all of the family income. Such a system, however, excludes others in the family from sharing this important family responsibility. Budgeting should be a family activity, shared with the children who are old enough to experience the financial realities of planning family spending.

Budgeting need not be tedious or time-consuming. Under the Divided Responsibility Plan, one month's record and a round table conference in which the entire family participates, can serve to budget income into broad categories of expenses and savings. The wife then assumes responsibility for spending the amounts budgeted for Food, Household Operation, and Clothing, while the husband handles the money for Shelter, Transportation, and Personal Advancement.

As long as both can supply the needs of the family within the total amount allotted for their areas of responsibility, there need be no detailed record-keeping. When the amount allotted proves insufficient to meet the current or anticipated needs, however, a detailed account of all spending should be kept for a month or two (on Family Budget Worksheets) to determine where the plan is breaking down and what steps should be taken to bring spending back into line with income.

Credit Management

Careful credit management demands that before a new credit obligation is assumed, the budget must be checked to be sure there will be money enough to make the necessary payments. If your net income is $600, for example, and you are considering a new car which will require a $50 a month payment, you will have to cut expenditures to see if you can adjust your expenditures to provide a "surplus" of $50 so you can make your payments. If so, you may decide to buy the new car. If not, try $25 payments and a cheaper car, or maybe you can't afford to take on any payments at all right now. Never sign up for credit payments of any kind until you have assured yourself you can handle them without sacrificing things that are more important to family living.

Adjust the Budget for Your Convenience

A good budget is one that can be tailored to your own needs. If Hubby spends $10 a week for lunches, for example, there is no need for the wife to dole the money out from "Her" allowance; she just deducts $40 a month from "Her" total and adds it to "His." Make such other adjustments as are necessary to fit your budget plan to your family circumstances.

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Educational Service Division
National Consumer Finance Association
1000 - 16th Street, N.W., Washington, D.C. 20036

FAMILY FINANCE GLOSSARY

MONEY

Allowance: A specified sum of money given to a child at regular intervals, which is his to spend, save, give away or even lose.

Barter: A direct exchange of goods for goods without the use of anything as a medium of exchange.

Cancelled check: A check paid by the bank and stamped with the proper mark of cancellation - generally, by perforation.

Cash reserve: An amount of cash of very liquid assets quickly convertible to cash, kept in reserve for special purposes or to protect against sudden emergency need.

Check: A written order of a depositor upon a commercial bank to pay to the order of a designated party or to bearer a specified sum of money on demand.

Checkbook money: Demand deposits in commercial banks on which checks may be drawn.

Commercial bank: A financial institution which accepts deposits and grants short-term loans to its customers.

Commercal paper: Negotiable instruments arising out of commercial transactions calling for the payment of money.

Currency: A medium of exchange, including coin, government notes and bank notes.

Current income: Wages, salaries, profits, or other income of the immediate period of time, this month, this year.

Dear money: (1) The condition where the purchasing power of money is high i.e., the general price level is low; (2) the prevalence of high interest rates making for more difficult borrowing.

Deposit: A sum of money left with a financial institution for safekeeping.

Depositor: One who makes a deposit of funds in a financial institution.

Deposit slip: The slip, showing details of the deposit, presented to the bank when a deposit is made.

Discounting: Lending money with the interest rate and service charges collected in advance. A "discount" rate is not equal to a true interest rate.

Discretionary income: The amount remaining from disposable income after essential living costs have been met.

Dishonor: To refuse to accept a duly presented check, draft, or note; also to refuse to pay one so presented.

Disposable income: The money received by the wage earner after deductions have been made for income tax, social security, and other deductions authorized by the wage earner. This sum is sometimes referred to as net income.

Draft: An order signed by one person (the drawer) directing another (the drawee) to pay a sum of money to a third person (payee), on demand or on a certain date.

Endorse: To write one's name on the back of a note, check, etc., as evidence of its legal transfer.

Forgery: A false or counterfeit document or signature.

Gresham's law: An economic law which states that cheaper money drives dear money out of circulation.

Hard money: (1) metallic money as opposed to paper money, the latter being called soft money. (2) Sometimes, money with stability in purchasing power of international exchange.

Income: The money that is earned by (wages), business (profits), and property (interest or rent).

Insolvency: Condition of a person or firm unable to pay current obligations.
Interest: Money paid for use of money.
Joint account: An account kept in the names of two or more persons any one of whom may claim the benefits therefrom.
Legal tender: Any kind of money which a government has officially designated as an adequate instrument for the discharge of obligations.
Medium of exchange: Anything that is generally accepted in exchange for goods and services and that represents a standard of value. Money is a common medium of exchange.
National bank: A bank whose charter is granted by the federal government, hence is under its control and must be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation.
Obligation: An amount of money or contracted performance one is morally or legally bound to pay or carry out.
Overdraft: Where the depositor has insufficient funds on deposit to honor a check when it is presented for payment.
Price: The value of a product or service expressed in terms of money.
Principal: The sum on which interest is paid.
Sight draft: A draft payable upon presentation.
Soft money: Paper money as opposed to metallic money; sometimes money with no stability in purchasing power or international exchange.
Standard money: The money or unit of money on which a particular country's monetary system is based.
State bank: A bank that is organized as a corporation. It obtains its authority through a charter granted by the state in which it operates. A state bank may be a commercial bank, a savings bank, a trust company, or an investment bank. It may also be a member of the Federal Reserve System.
Stop-payment: Notice to a bank from a depositor not to honor a specific check.
Stub: In a checkbook, receipt book, the portion of each leaf that is fastened in the binding and remains in place as a memorandum of the part torn out.
Take home pay: The amount of wages or salary left to the worker after taxes, any insurance and other deductions have been taken out.
Teller: The clerk in a bank who pays out money or who receives deposits.
Tight money: Same as dear money.
Traveler's check: An order drawn by a bank upon itself by which it obligates itself to pay a specific sum of money on demand to the order of the person or firm whose name is subsequently written in as payee by the individual who purchased the traveler's check.
Value: The worth of anything in the market place.
Vault: A room in which money and other valuable are kept.
Withdrawal: Removal, as from a place of deposit or investment.

CREDIT

Acceleration clause: A provision in a contract under which a default in one payment makes all future payments due immediately.
Add-on clause: A clause which extends over several installment credit purchases and provides that the seller retains the title to the merchandise or mortgage until payments are completed on all items.
Bad debt: A debt which is uncollectible.

Balance: The amount still owed on an account at any given time.

Balloon contract: An installment sales credit contract which has as its final installment a payment substantially in excess of the preceding installments.

Bankrupt: One in an insolvent condition who has committed an act of bankruptcy; also one who has been formally declared a bankrupt.

Carrying charge: The amount by which a credit installment sale price exceeds the cash price of a product.

Charge account: A credit arrangement whereby a customer is permitted to charge purchases and to pay for them according to some predetermined plan.

Chattel mortgage: A legal document in which personal property (chattels) is made security for payment of a debt but is left in the hands of the debtor so long as payments are kept up as contracted.

Collateral: Tangible or monetary goods or securities pledged to guarantee repayment of a loan or completion of payments under an installment credit sale contract.

Co-maker or so-signer: The signer of a note who guarantees repayment of a debt if the borrower fails to repay.

Consolidate: To bring together several obligations under one agreement in a contract or note.

Consumer credit: Debt incurred by individuals for goods or services for personal or family use and consumption.

Credit: A means of obtaining something of value in exchange for a promise to pay at a future date.

Credit card: An identification card or plate which enables a consumer to use a charge account at specific retail outlets or for specific services.

Creditors: Those to whom one owes an obligation.

Credit instrument: Any written or printed paper by means of which funds are transferred from one person to another. The most common are checks, drafts, money orders, promissory notes, and letters of credit.

Credit losses: The money lost by a credit-granting institution when a debt is not paid. This loss may be increased by the cost of collection activities before the debt is finally written off as uncollectible.

Credit rating: The appraisal of one's credit standing, ability, and willingness to pay obligations.

Credit service charge: The charge made for the use of credit facilities.

Credit standing: One's present credit worthiness as determined by his past credit performance.

Delinquent: A credit account which is past due, and for which the debtor has made no satisfactory arrangement with the lender for repayment.

Foreclosure: Involves a sale of the mortgaged property under the order of a court and generally by an officer of the court.

Garnishment: The legal method of obtaining a money owed by a salaried person. A portion of each paycheck is withheld to be used in repaying the debt, until the debt is finally paid off.

Installment credit: The use of consumer credit to purchase goods and pay for them in special amounts over a specified period of time.

Loan shark: An unlicensed moneylender who charges excessive interest rates.

Mortgage: The written transfer of property as security for the payment of a debt which is cancelled when the debt is repaid. If the debt is not repaid, the property becomes the possession of the party holding the mortgage.

Open-account: At the time of the sale the title to the merchandise passes to the consumer and the store accepts the customer's promise to pay for the goods at a later date.

Pawnbroker: One who lends for short periods of time provided personal property such as jewelry is pledged as security for the loan.

Promissory note: A written instrument giving evidence of the fact a debt or obligation has been undertaken setting forth the nature of the promise to pay.

Refinance: The rescheduling of payments on an installment contract so that payments are usually smaller and spread over a long period of time.

Repossession: The taking back of goods by the seller when the buyer has failed to meet agreed payments; also the voluntary giving up of such goods in case of inability to pay as promised.

Revolving account: A form of credit offered by retail stores whereby the customer is granted a specific amount of credit. As repayment is made, the difference between the maximum and the balance is available to the shopper in the form of additional credit. A charge of 1½% per month is usually made on the outstanding balance.

INVESTING

Abstract: A formal legal document that is a condensed history of the ownership of property.

Balance sheet: A financial tabulation which reveals net worth.

Bear: One who believes the market will decline.

Bearer bonds: Bonds payable to the person having possession of them. Such bonds do not require endorsement to transfer ownership, but only the transfer of possession.

Blue Chip: A stock market term for the stock of a listed company whose products and financial record are of high quality.

Blue Sky laws: State statutes designed to protect the public from the sale of worthless stocks and bonds.

Board of Directors: The governing body of the company.

Bond: An interest-bearing certificate of indebtedness issued by a government or by a corporation.

Broker: The agent who acts as a middleman for investors who want to buy or sell securities.

Brokerage firm: Firms that act as agents for persons who buy and sell stocks and bonds.

Bull: One who believes the market will rise.

Capital: The value of a business as measured by the excess of its assets over its liabilities.

Common stock: The class of stock that permits its owner to participate in the management of the corporation and share in any profits or losses. The stock has no specified dividend rate.

Common stockholders: Stockholders who have a right to vote for the directors who set the company's policies.

Convertible bonds: Bonds which may be converted into stock at the option of the holder.

Coupon: One of several small certificates, attached to a bond, representing the interest due for a certain period.

Current assets: Those assets which can be converted into cash readily.

Debenture bonds: Bonds not secured by a specific property but issued against the general credit of a corporation or government.

Descent: The passage of real estate to heirs when there is no will.

Dividend: The share of the profits of a corporation that is paid to a stockholder.

Dividend yield: The current annual dividend of stock divided by the market price per share.

Dow-Jones: Well-known average or index of stock market activity. The Dow-Jones Average is actually not one average but four; one made up of 30 industrial stocks, one of 20 railroad stocks, one of 15 utilities, and a composite of the 65 stocks in those three averages. All the stocks are listed on the New York Stock Exchange.

Escrow: A writing, or deed, delivered by the grantor into the hands of a third person, to be held by the latter until the happening of a contingency or performance of a condition.

Estate: Everything that a person owns while living or the wealth left upon his death.

Executor: Someone designated to make sure that the terms of the will are carried out.

Intestate: A person who dies without a will. State laws will dictate how the estate is to be distributed.

Issue: The stocks or bonds of a company put out at any one time.

Invert: Converting money in some form that yields a money income.

Joint tenancy: When two or more persons own property with the right of survivorship.

Liabilities: Obligations which an individual or business is committed to pay.

No par stock: Stock without par value but which represents a proportionate share of the ownership of a corporation based on the number of shares.

Odd-lot: Less than one hundred shares of stock.

Over the counter: A method of trading unlisted securities which are bought and sold through brokers rather than through an exchange.

Par value: The monetary value printed on a bond or a stock certificate and shown in the corporation's charter as the nominal value.

Personal property: All property not considered to be real property, such as radios, stocks, automobiles, books, furniture, etc.

Preferred stock: The class of stock that entitles the stockholder to preferential treatment of dividends, or the distribution of assets or both.

Proxy: A person empowered to represent another in a given matter.

Quitclaim deed: An instrument which conveys whatever interest the grantor may have had in the property.

Quotations: The published market prices of securities.

Rails: Stocks or bonds of railroad companies.

Real property: Land and those things permanently affixed to the land.

Round lot: An even one hundred shares.

Securities: A collective name for all kinds of written instruments in the form of mortgages, bonds, stocks, bills of exchange, bills of lading, warehouse receipts, acceptances, etc.

Severalty: When property is owned by one person alone.

Speculator: One who buys and sells securities quickly, taking greater risks in the hope of greater rewards. The professional speculator acts in accordance with his knowledge of the laws of economics, the behavior of the market, and the facts about any company whose stock he buys and sells.

Stock: A share of ownership in a business organized as a corporation.

Stock exchange: A central market in which securities are bought and sold.

Stockholder: An individual who invests money in shares of a company and by doing so becomes, in effect, a part-owner of the company.

Stock-split: Division of the outstanding shares of a company into a larger number of shares with the same total value.

Tenancy in common: Ownership by two or more persons of property in common with the interest of the one dying passing to his heirs and not to his co-tenants.

Ticker: A telegraphic receiving instrument that prints stock quotations on a paper ribbon or tape.

Trust: Contract under which the owner of the property (settlor) places assets under the control of a trustee for the benefit of a beneficiary or beneficiaries.

Unlisted securities: Stocks not formally listed for trading on any exchange. Unlisted securities are generally traded through individual brokers.

Warranty deed: This type of deed conveys title along with warranties that certain facts about the property are true.

Will: A document by which a person at his death bequeathes his property to others.

TAXATION

Ability to pay: As the amount of income increases, the amount of tax obligation increases.

Assess: To estimate the value of goods or property for purposes of placing a tax on them.

Capital-gains tax: A tax on that portion of the selling price over and above the purchase price of a capital asset, less the accumulated depreciation, if any.

Depreciation: Decrease in the value of property over a period of time due to wear and tear, and obsolescence.

Excise tax: A tax levied on the manufacture, sale, or consumption of goods within the country.

Exemption: Amount of income not subject to tax.

Estate tax: A tax levied by the federal government on inherited property.

Federal taxes: Includes individual income tax, corporation income taxes, excise taxes, employment taxes, estate and gift taxes, custom, and a small group of miscellaneous levies.

FICA taxes: All taxes that are connected with old-age, survivors, and disability benefits.

Gift tax: A tax on large amounts of property that are given away.

Hidden taxes: Taxes paid by firms and included in the price of a commodity, but the buyer is not aware of having paid them.

Income tax: A tax on the income of individuals and corporations.

Intangible property tax: A tax that is levied on intangible property such as bank accounts, stocks, bonds, and other securities.

Progressive tax: A tax in which the applicable tax rate increases as taxpayers' income increases.

Proportionate tax: A tax in which all taxpayers pay at the same rate regardless of the value of the taxable property or income.

Public debt: Debt incurred by a governmental unit, in order to finance its activities, such as defense, roads, sewage, education, etc.

Regressive tax: Any tax not related to taxpayers' income and requiring all taxpayers to apply the same tax. This tax claims a greater percentage of low incomes than it does of high incomes.

Revenue: Income received by the government.
Revenue tax: A tax designed solely to obtain money to finance government operations.
Sales tax: A tax on the sale of goods or services.
Service tax: Tax based upon the idea that a business should pay for the privilege of existing and operating.
Severance tax: A service tax based upon the quantity of natural resources sold.
Social security taxes: Federal old-age benefits are paid for by a tax based on the worker's earnings. The employer and the employee share the tax equally. Those persons self-employed pay all the tax, but at a lower rate than the combined rate for an employee and his employer.
State and local taxes: Include property taxes, sales taxes, highway-user taxes - mainly gasoline taxes - fees from licenses and permits, individual income taxes, corporate income taxes, estate and gift taxes and a miscellaneous group of levies.
Tariff: A tax on goods imported from other countries.
Tax assessor: Official in charge of deciding the value of property for tax figuring purposes.
Tax rate: Amount of tax the owner of property must pay each year for every dollar's worth (or $100 worth, or $1,000 worth) of property he owns.
Tax return: A report showing the amount of tax due and explaining how the amount was calculated. A taxpayer files a tax return when he pays his taxes.

SAVING

Annuity: A guaranteed retirement income purchases from an insurance company.
Compound interest: Interest calculated on the total of the original principal and all accrued interest payments.
Credit unions: Cooperative associations operating both as savings and lending institutions for the benefit of its members.
Credit union shares: The shares are ordinarily available in units of five dollars each. Dividends on shares are usually paid annually.
Deposit insurance: (FDIC) The Federal Deposit Insurance Corporation insures the deposits of individuals and companies in banks against possible loss in case the bank closes or fails, up to prescribed amounts. A similar system applies to savings and loan associations. The current maximum guarantee of a single account is $15,000.
Endowment insurance: A means of setting aside a portion of income during earning years to provide income for survivors when the head of the family dies. It is also a means of saving money for some special purpose such as education for children, income in retirement years or protection of an interest in a business.
Federal Savings and Loan Insurance Corporation: (FSLIC) All federally chartered associations in the United States are required to insure each account up to $15,000 with the FDIC, a government operated institution.
Government savings bonds: Bonds that can be purchased for varying amounts and have fixed redemption values both before and at maturity.

Investing: Most commonly thought of as converting money in some form that yields a money income, investments can take other forms - such as education or durable assets.

Maturity date: The date on which a loan, bond, or note comes due and must be repaid in full by the borrower.

Mutual Savings Banks: Banks specializing in savings accounts and offering only a limited number of additional services.

Pension and retirement plans: Provide income in retirement years to individuals and families.

Saving: Setting aside a part of income regularly.

Savings and loan association: Association organized to pay interest on savings and to lend money to people for the purpose of buying or building a home.

Safe-deposit boxes: Boxes in bank vaults that are used to store articles of value, such as important papers, jewelry, stocks and bonds.

Social security: Old age, survivors and disability insurance is a compulsory contributory social insurance plan for those working in covered occupations. It gives a return in the form of monthly income payments in retirement years, or replaces part of earnings lost in the event of the death or disability of the person insured.

Thrift: Efficient use of anything limited in supply.

BUYING

Add-on purchase: Adding to an existing installment contract by combining a new purchase with an older one.

Advertising: The process of bringing the prospective buyer from a state of awareness to that of preferring, liking, and buying a particular product or service.

Bargain: An item for which one has a definite need, which is of suitable quality for its intended use, and which is obtained at a lower than usual price.

Brand: Any letter, word, name, symbol, or device used by a manufacturer to identify his goods.

Budget: A plan based on an estimate of expected income, for spending, saving, and investing money over a future period of time.

Buyer's market: A condition that exists when the supply is great and the demand is low.

Buying: The act of acquiring either an economic good or service by the giving of either money or other valuable consideration.

Cash discount: A cash discount allowed for prompt payment.

Collective buying: The exercise of purchasing power by millions of people that keeps the economy of this nation functioning and growing.

Competition: The effort of two or more business firms or individuals acting independently to attract a customer.

Conditional sales contract: A plan by which the title to goods remain with the seller until payment for the goods has been made.

Conspicuous consumption: The purchase and use of goods and services to impress others rather than to meet the direct needs of the buyer.

Consumer: A buyer of goods or services.

Consumer goods: Goods intended to directly satisfy the wants of individuals and families.

Deliberate buyer: One who thoroughly investigates the quality of all available goods and services that may serve his needs.

Department store: A retail store that sells many lines of merchandise, such as women's ready-to-wear and accessories, men's and boy's wear, piece goods, housewares and furniture.

Discount: A deduction given for a prompt or cash payment.

Discount house: A retail store in which lower prices are featured and a minimum of service is provided.

Down payment: The amount of cash required by the seller to initiate an installment purchase.

Durable goods: Products into which are built long series of continuing services, products that last and continue to serve, usually applied to "hard goods" - metal, wood, etc.

Fad: A trend in buying for a particular product followed for a time with exaggerated zeal.

Gimmick: Anything used by a seller to induce people to purchase something that they might not otherwise buy.

Good buymanship: A sound sense of selection, price judgment, coupled with intelligent management of income and expenditure.

Gross National Product: The dollar value of all the goods and services produced in a country.

Impulse buyer: One who is easily influenced and frequently swayed by the emotional appeals of the advertising industry. He buys compulsively and commonly makes purchase decisions on the spur of the moment.

Impulse buying: The buying of merchandise at the time it is seen without any forethought or preplanning.

Label: A statement attached to an article or a commodity describing its essential characteristics.

Mail order house: A sales outlet that enables the buyer to shop by mail, usually through the use of a catalog.

Marketplace: Common term for any place where business is done; place where trading is carried on and where prices develop out of the forces of supply and demand.

Market value: The price at which something may be bought or sold at a given time.

Payment: Anything of value, such as money, services, or goods that is given by the buyer and accepted by the seller in performance of the agreement.

Physiological needs: The common needs of people for items such as food, clothing, and shelter.

Price: The amount of money that each good or service commands in the market.

Psychological needs: Those needs which are ordinarily "learned" such as the need for education, entertainment, and other things associated with status, conformity, prestige, and power.

Purchasing power: The value of money in terms of the goods or services it will buy.

Retail outlets: Department stores, furniture stores, household appliance, automobile dealers and others.

Retail transaction: A sale or loan for individual needs and purposes.

Returned transaction: A sale or loan for individual needs and purposes.

Returned merchandise: Goods returned by the seller to the buyer.

Sales contract: An agreement, usually written, providing for the sales of articles under specified terms of payment and other conditions; an agreement between the buyer and seller.

Shopping center: A grouping of retail stores close to the homes of buyers so that shopping can be done with a minimum of time, effort, and transportation.

Social acceptance: A force that causes many people to buy goods and services on the basis of the standards held by a particular group.

Standard of living: The way a family or the people of a nation live.

Supermarket: A retail outlet with a vast array of goods and services among which people must exercise discrimination in buying.

Trade discount: Any discount that is not a cash discount.

Trade in: A sale represented by trading an old product for a new product rather than a sale completed by payment of money.

Trading stamps: Stamps given to the buyer in proportion to the amount he spends and which may be accumulated for later use in acquiring desired products.

Trademark: A distinctive device or imprint used by a person to identify his products.

Utility: Power to satisfy human wants.

Warranty: A promise made by a seller or his authorized agent concerning the quality of performance of merchandise.

Wholesale: A sale of goods for purposes of resale or industrial use rather than to ultimate consumers.

INSURANCE

Actuary: An individual who is professionally trained in the technical aspects of insurance and related fields, particularly in the mathematics of insurance such as the calculation of premiums, reserves, and other values.

Adjuster: One who determines the amount payable under a policy for a loss arising from fire, accident, etc.

Appraiser: One who estimates the value of property.

Automobile liability insurance: Indemnity insurance covering the liability for personal injury or property damage to others arising from the operation of an automobile.

Beneficiary: The party who is to receive the proceeds of a life insurance policy upon the death of the insured.

Blanket policy: A policy that covers a group or class of things.

Bodily injury liability: Insurance that protects against financial losses resulting from injuries to pedestrians, to persons riding in other car, or to guests in a policyholder's car.

Cash surrender value: A fund accumulated with permanent type of life insurance, which is payable upon voluntary surrender of the policy before death or maturity.

Casualty insurance: Insurance that covers losses caused by accident or negligence.

Claim: Notification to an insurance company that payment of an amount is due under the terms of the contract.

Coinsurance clause: A provision, frequently found in major medical insurance policies, that requires the policyholder to pay a specified percentage of the expenses resulting from his illness of injury.

Collision insurance: Insurance affording protection against loss arising from damage to one's own automobile. This type of insurance usually contains a deductible clause.

Common disaster clause: When the insured and the beneficiary perish in a common accident and there is no sufficient evidence that they died otherwise than simultaneously, the proceeds of the insurance policy shall be distributed as if the insured had survived the beneficiary.

Comprehensive automobile insurance: Automobile insurance that provides a general coverage of many risks such as fire, theft, tornado, windstorm, rain, and glass breakage (except due to collision).

Comprehensive personal liability insurance: Liability insurance that protects the insured against loss from legal liability for bodily injury, illness, death, or damages suffered on his property by a non-member of his family. Homeowners and apartment dwellers as well find this coverage most valuable.

Credit life insurance: Term life insurance issued through a lender or lending agency to cover payment of a loan, installment purchase or other obligation in the event of death.

Deductible clause: A provision in an insurance policy that requires the insured to pay for a certain part of his loss before the insurer pays anything.

Disability: Incapacity resulting from bodily injury or disease.

Disability benefits: A provision in a life insurance policy providing for the waiver of premium and sometimes payment of monthly income, if the insured becomes totally and permanently disabled.

Double indemnity: A provision in an insurance policy that expresses the willingness of the insurance company to pay double the face amount of the policy if the insured should die by accidental means.

Endowment policy: A policy under which a definite sum of money is payable at a specific time to the insured, or in the event of death, to the beneficiary of the insured.

Extended coverage: Protection added to fire insurance that covers various hazards such as windstorm, tornadoes, cyclones, explosion, riot, and smoke damage.

Family policy: A life insurance policy providing insurance on all or several members of a family in one contract, generally whole life insurance on the husband and smaller amounts of term insurance on the wife and children, including those born after the policy is issued.

Grace period: A period (usually 31 days) following the premium due date, during which an overdue premium may be paid without penalty. The policy remains in force during the grace period.

Group life insurance: Life insurance issued on a group of persons under a single master policy. This type of policy is usually issued to an employer for the benefit of employees. Fraternal groups also make use of this type of insurance coverage.

Hazard: This term is applied to conditions which may create or increase the probability of loss.

Homeowner's policy: A comprehensive coverage that combines fire, extended coverage, personal liability, and theft protection under one policy.

Hospitalization insurance: Insurance providing indemnity for hospital, nursing, surgical and miscellaneous medical expenses due to bodily injuries or illness.

Insurable interest: A relation between the insured and the event insured against such that the occurrence of the event will cause substantial loss or harm of some kind to the insured.

Insured: The person on whose life an insurance policy is issued.

Lapsed policy: A policy that is terminated for nonpayment of premiums.

Life annuity: An insurance policy that provides an income for life.

Limited-payment life insurance: Whole life insurance providing for payment of premiums over a limited time period such as ten, twenty, or thirty years or until death.

Major medical expense insurance: A type of health insurance that protects families against unusually large expenses resulting from prolonged illness or severe injuries.

Mortality table: A statistical table indicating the death rate at each age, usually expressed as so many per thousand.

Nonparticipating insurance: Insurance on which the premium is calculated to cover as closely as possible the anticipated cost of the insurance protection and as a result no dividends are payable.

Paid-up policy: A policy on which the premiums have been paid in full.

Participating insurance: Insurance on which the policyholder is entitled to receive policy dividends. The size of each dividend depends largely upon the difference between the premium charged and the actual experience of the company.

Peril: The hazard against which a policy insures.

Permanent life insurance: Refers to any form of life insurance except term.

Personal property floater: Coverage on such items as furniture, clothing, sporting goods, cameras, linens, rugs, silverware, luggage, furs, books, etc., both in the home and away from home against almost all risks of loss or damage with a few minor exceptions such as vermin, dampness, etc.

Policy: A written contract of insurance.

Policy loan: A loan made by an insurance company to a policyholder using the cash value of the policy as security.

Premium: One of the weekly, monthly, quarterly, semi-annual or annual payments, the policyholder agrees to make for an insurance policy.

Property damage insurance: Provides protection against losses that result from damage to an automobile or some other property of another person caused by the insured car.

Property insurance: Provides protection to the insured against damage to real and personal property caused by fire, theft, windstorm, etc.

Risk: The probability of loss to an insurance company by virtue of a contract; an applicant for a policy.

Settlement option: One of the ways, other than immediate payment in a lump sum, in which the policyholder or beneficiary may elect to have the policy proceeds paid.

Term insurance: Coverage which provides protection for a given period of time.

Title insurance: Protection for the homeowner against loss from title defects when purchasing real property.

Waiver of premium: A provision whereby it is not necessary that premiums be paid if the insured becomes totally and permanently disabled.

Whole-life insurance: The basic life insurance policy that pays the beneficiary at the death of the insured or if the insured lives to the age 96 the face value of the policy will be paid to him. Sometimes referred to as straight life or ordinary life.

AND A FEW DAFFYNITIONS

Budget: An attempt to live below your yearnings.
Cash: The poor man's credit card.
Money: What you swap for what you think will make you happy.
Banker: A man who always takes an interest in his work.
Bargain: Something you cannot use at a price you cannot resist.
Business: What, when you don't have any, you go out of.
Economy: A reduction in the other fellow's salary.
Frugality: Saving something while your salary is small because it's impossible to save after you begin earning more.
Gambling: A way of getting nothing for something.
Income: That which you cannot live without or within.
Inflation: The art of cutting a dollar bill in half without touching the paper.
Installment Plan: A dollar down and a dollar whenever you fail to dodge the collector.
Insurance: Something you have to buy when you don't want it to have it when you do want it.
Pay: What you take home because there is no other place you can afford to go with it.
Prosperity: The sweet buy and buy.
Nickel: What this country needs - a good five cent one.
Wealth: A curse when the neighbors have it.
Social Security: Something that promises you steaks for an age when you have no teeth.
Income Tax: The fine for reckless thriving.
Poverty: A state of mind often induced by a neighbor's new car.
Savings: Delayed expenditures.
Dime: A dollar with all taxes deducted.
Recession: Neighbor out of work.
Depression: You're out of work.
Panic: Wife out of work.
Charge Account: What you use to buy today what you can't afford tomorrow while you're still paying for yesterdays.

Transparency Masters
for
Consumer Economics Unit

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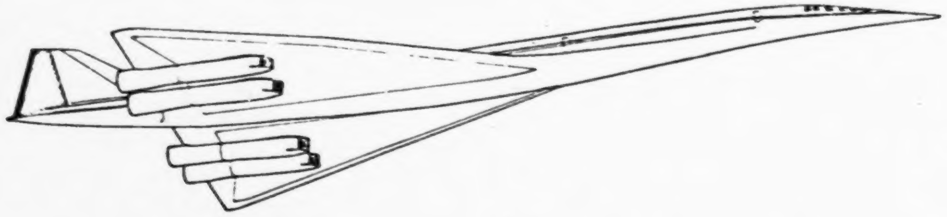
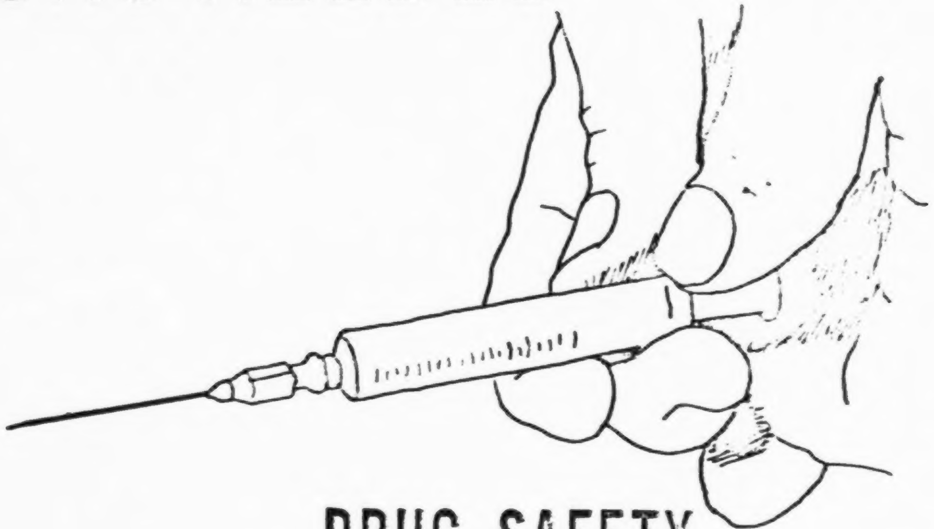
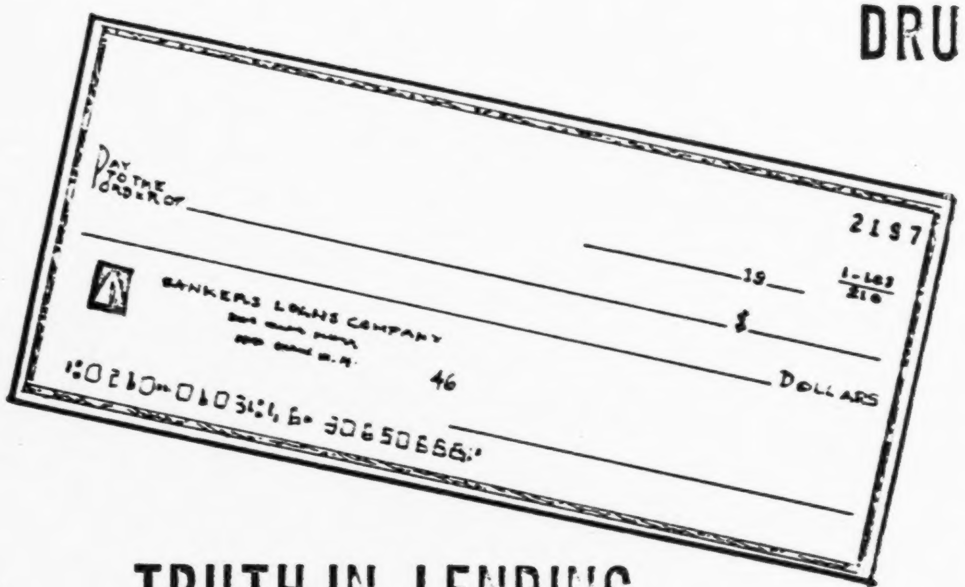
NEW PROTECTIONS NEEDED



SONIC BOOM



DRUG SAFETY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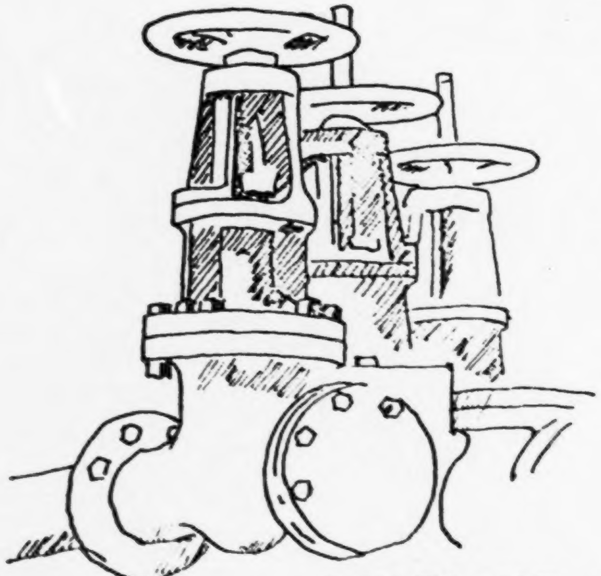
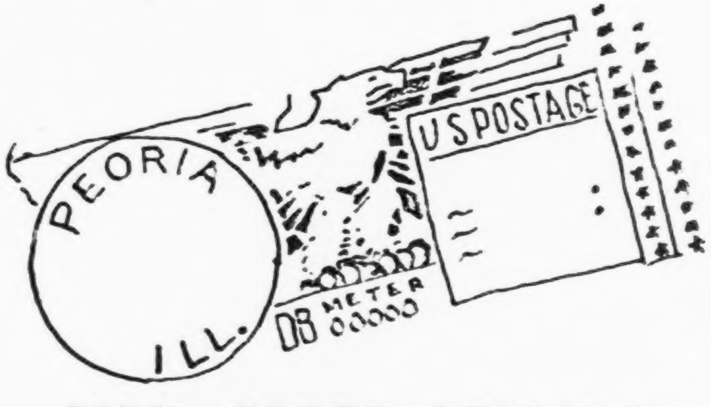
TRUTH IN LENDING



PIPELINE SAFETY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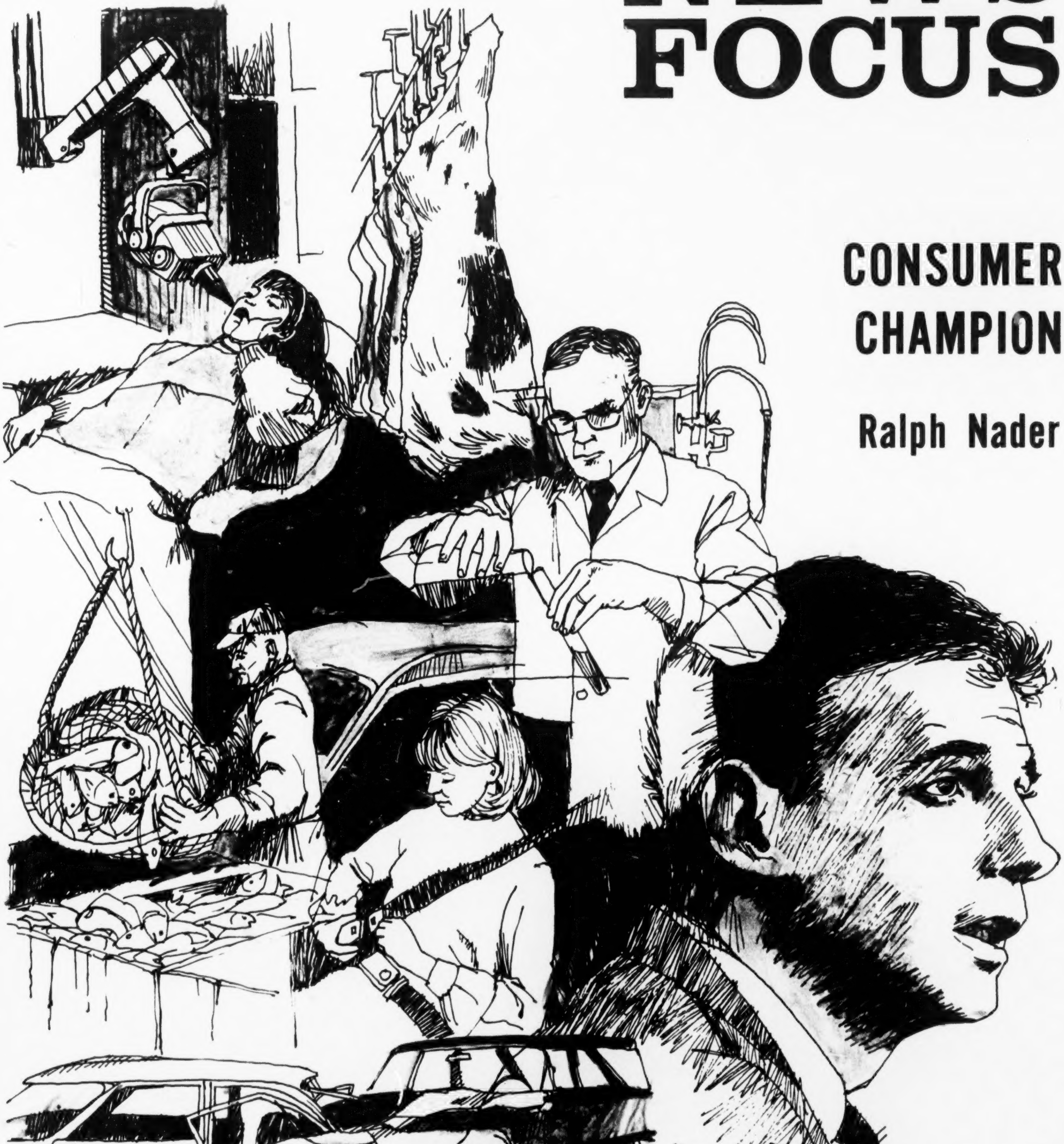
MAIL ORDER SELLING

FEBRUARY 2, 1968

NEWS FOCUS

CONSUMER CHAMPION

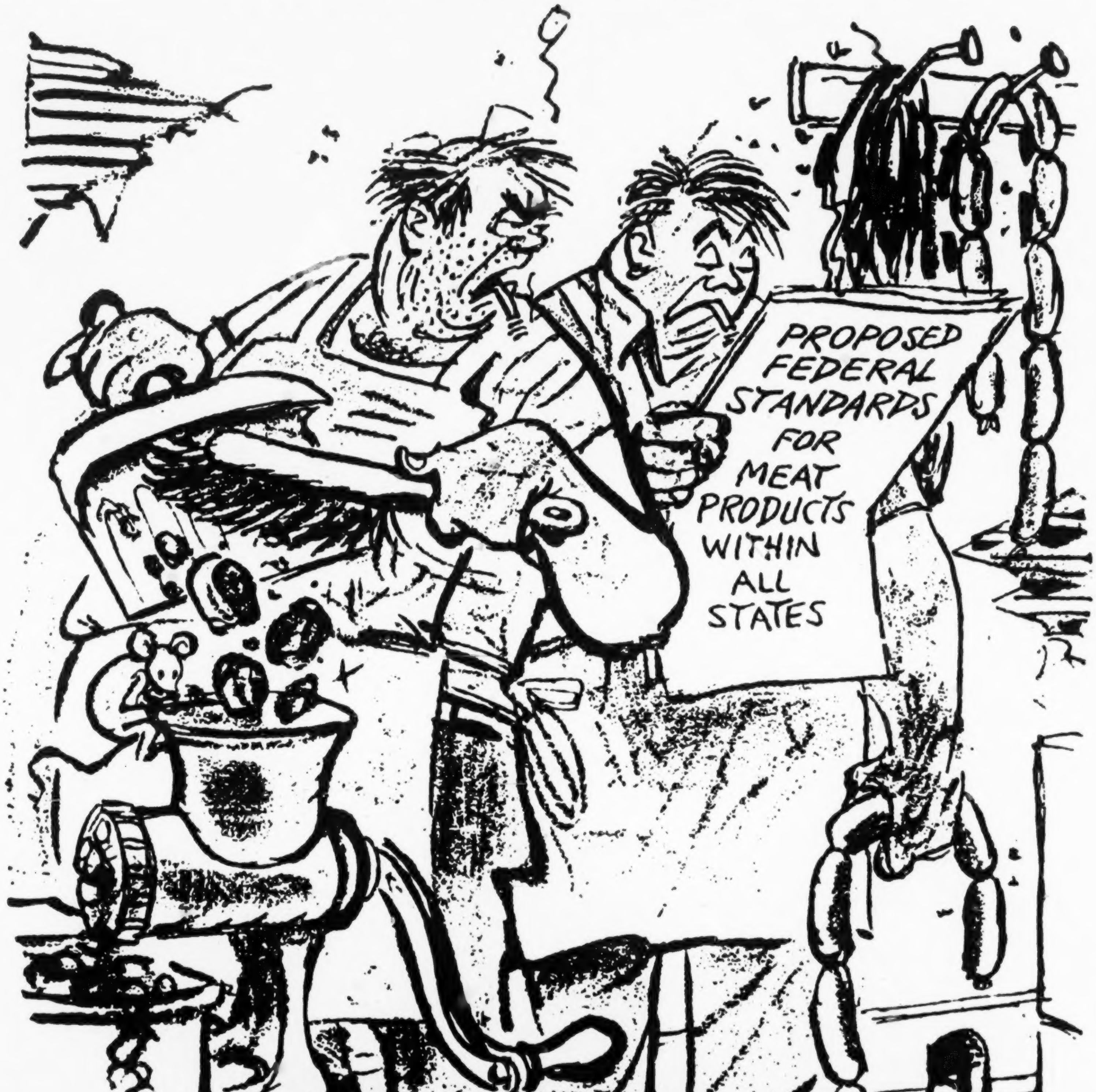
Ralph Nader



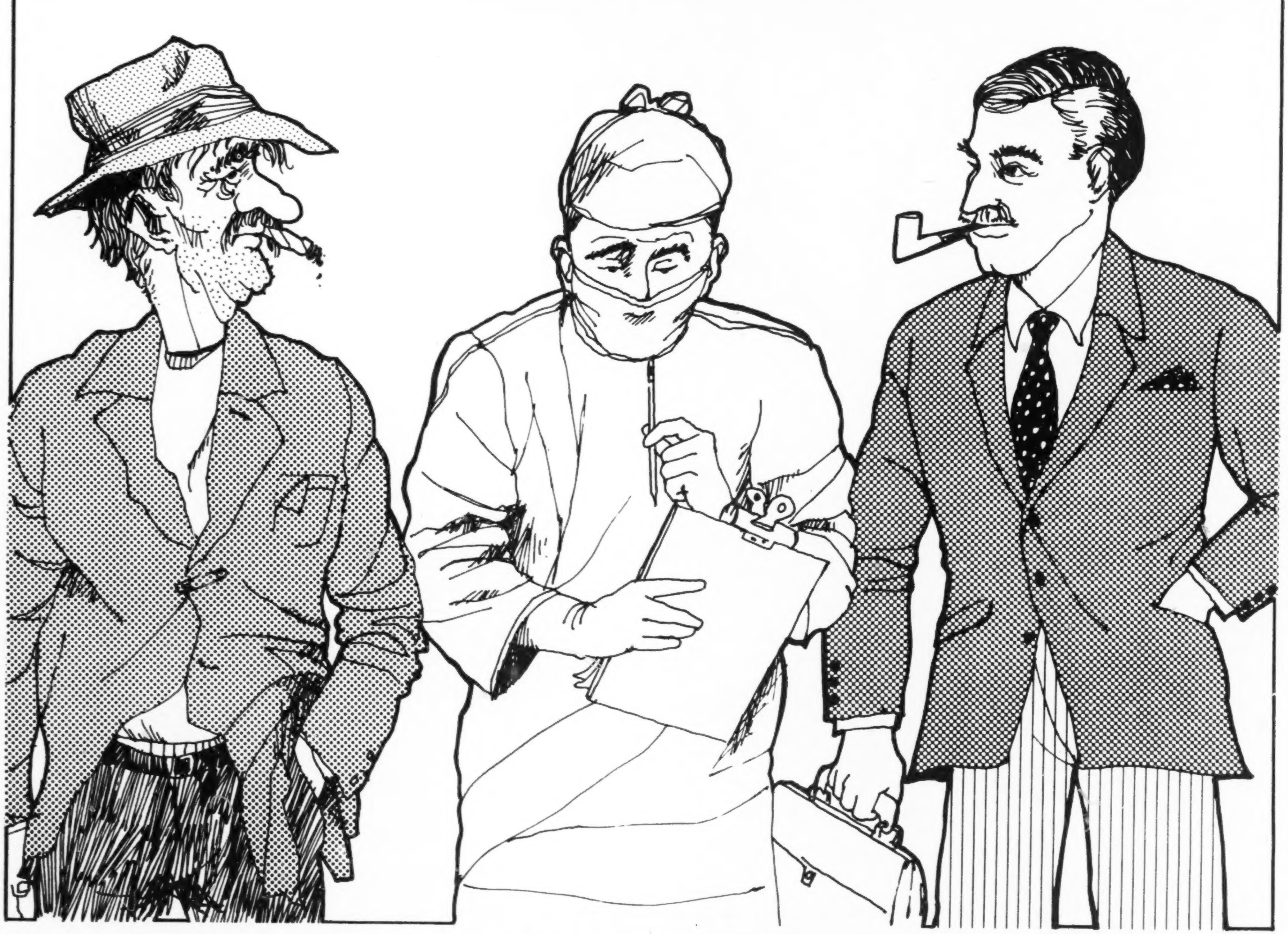
By the editors of **Newsweek**®

CONSUMER PROTECTION **visual 1**

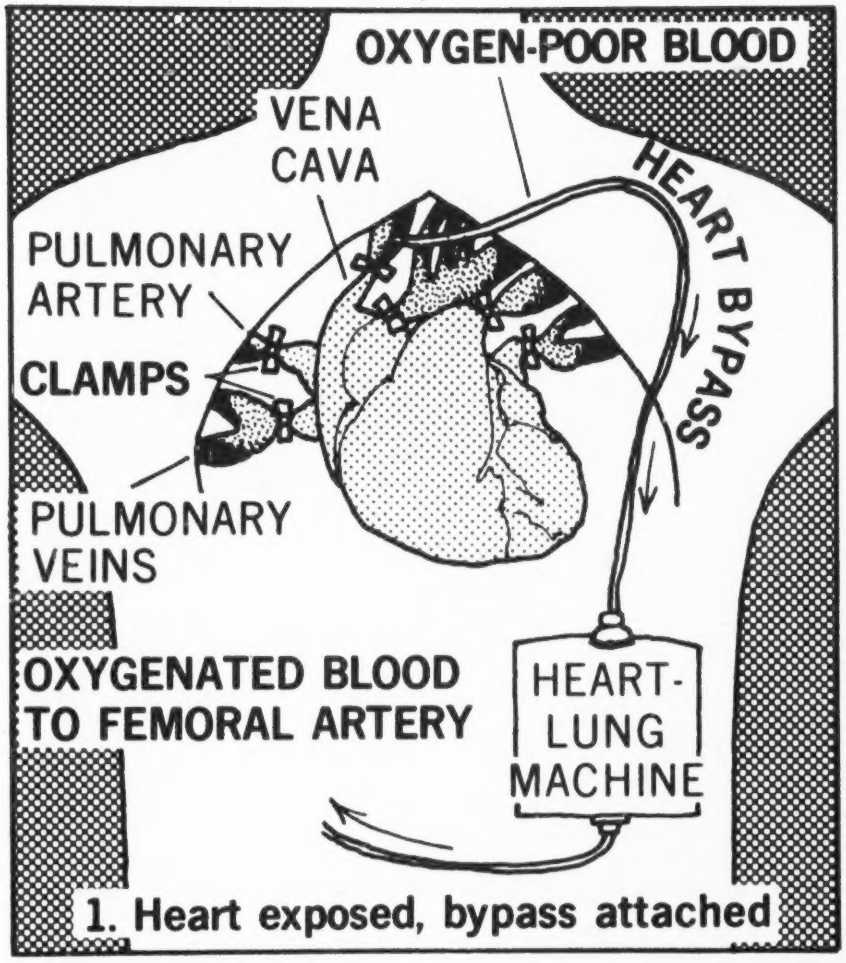
"THAT GUY NADER MAKES ME SICK"


PROPOSED FEDERAL STANDARDS FOR MEAT PRODUCTS WITHIN ALL STATES
©1967 HERBLOCK.

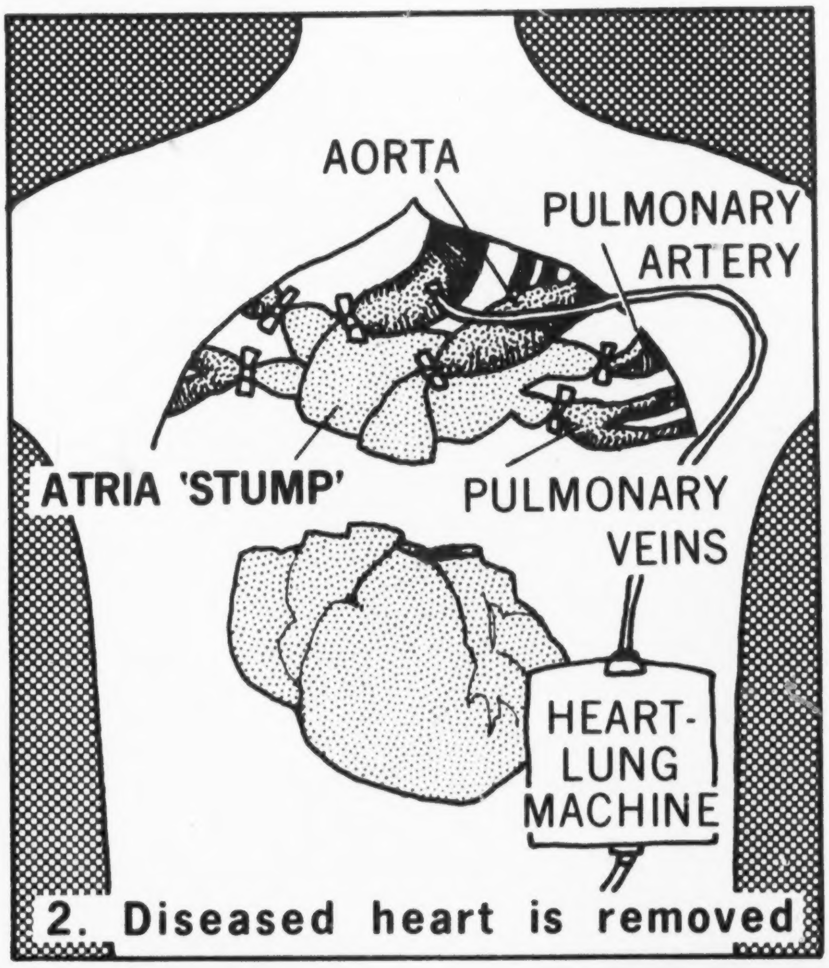
WHO GETS THE NEW HEART?



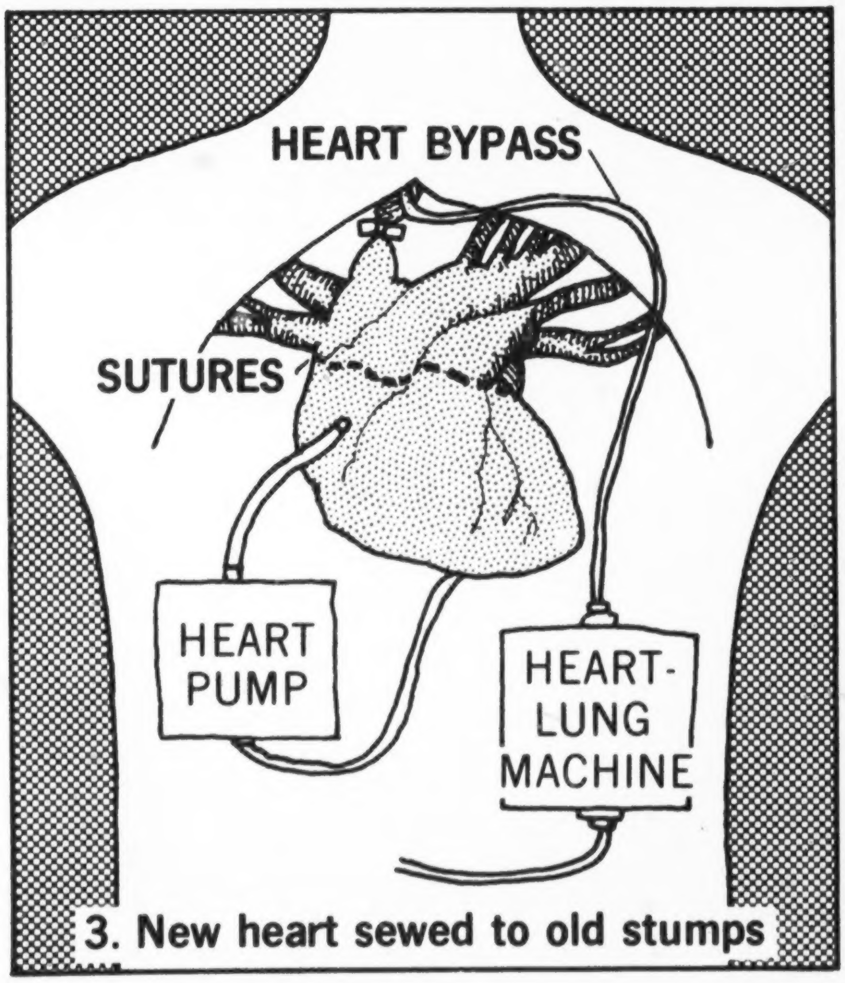
A HEART TRANSPLANT


OXYGEN-POOR BLOOD
VENA CAVA
HEART BYPASS
PULMONARY ARTERY
CLAMPS
PULMONARY VEINS
OXYGENATED BLOOD TO FEMORAL ARTERY
HEART-LUNG MACHINE

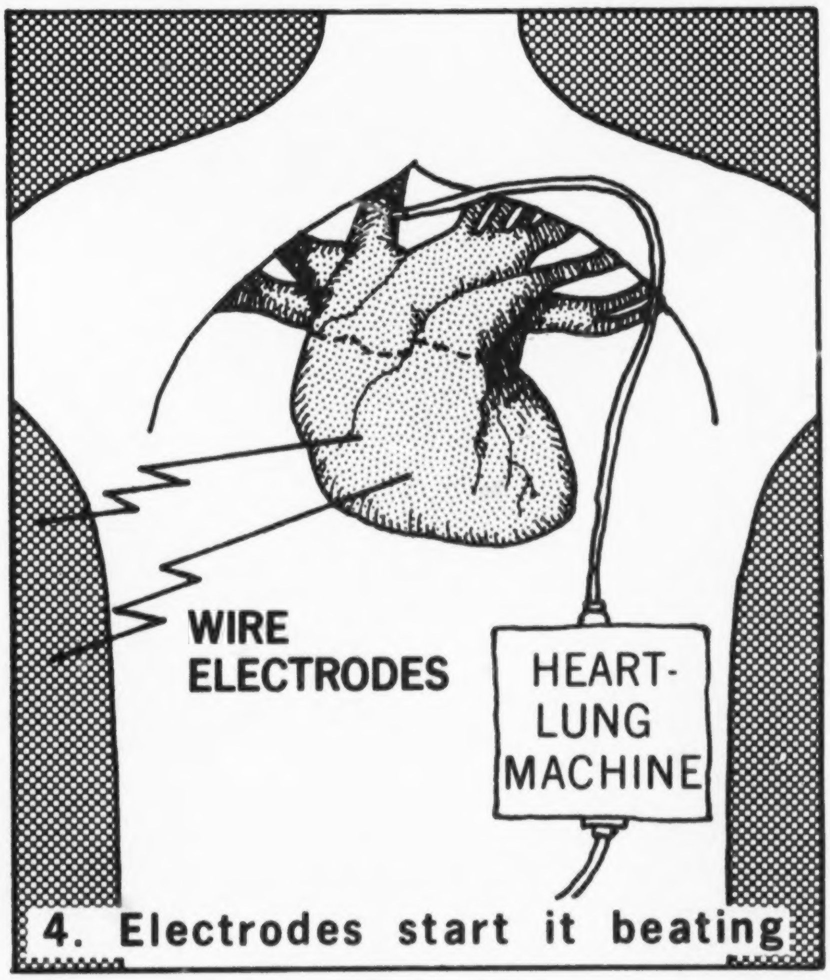
1. Heart exposed, bypass attached


AORTA
PULMONARY ARTERY
ATRIA 'STUMP'
PULMONARY VEINS
HEART-LUNG MACHINE

2. Diseased heart is removed


HEART BYPASS
SUTURES
HEART PUMP
HEART-LUNG MACHINE

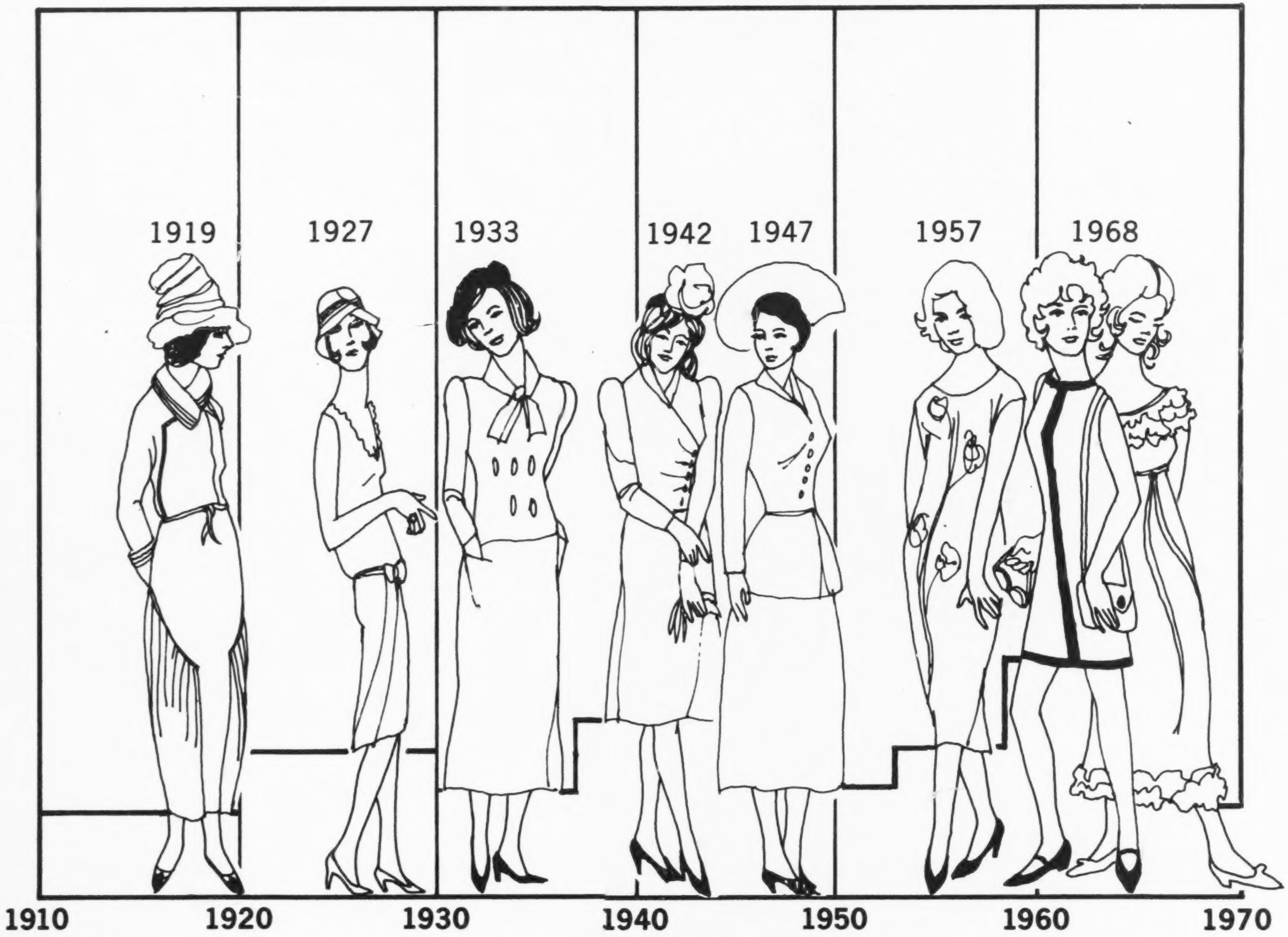
3. New heart sewed to old stumps


WIRE ELECTRODES
HEART-LUNG MACHINE

4. Electrodes start it beating

VISUAL
MEDICINE
FEB. 2, 1968
7

HEMLINES: UP AND DOWN THROUGH THE YEARS



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